



# OSSP Briefing - Procurement and Contracts

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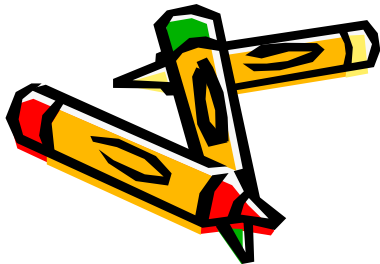
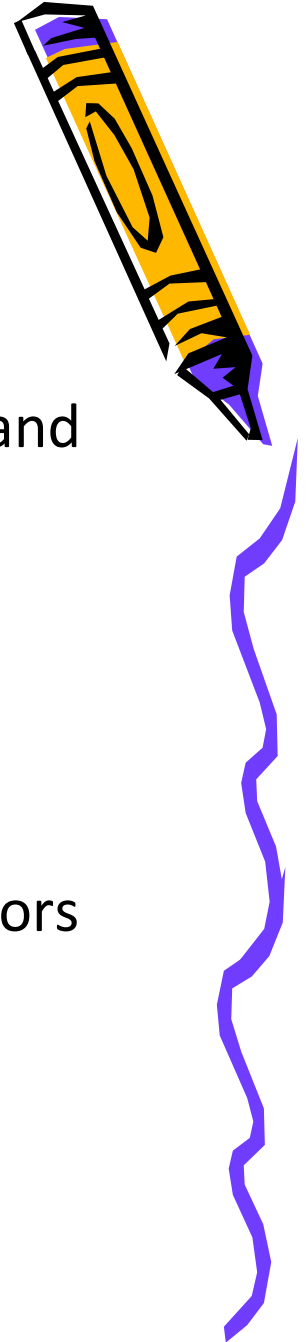


# Procurement and Contracts

My role is to Inform, Support, Advise, Guide, Influence and Challenge Service Managers

My brief is to inform the Panel about:

- An overview of our approach to procurement
- Governance
- Monitoring performance and compliance of contractors who are delivering functions on behalf of the council
- Social Value from our contract spending



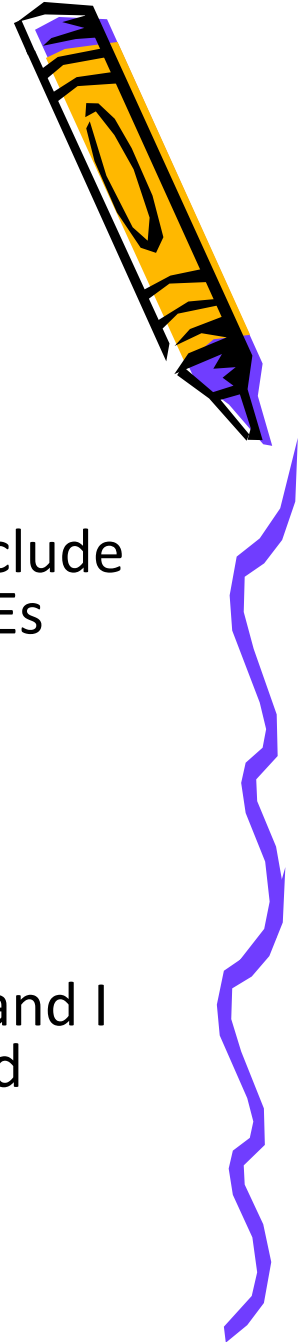
# Overview of our approach to procurement

As a public authority we are subject to UK legislation enacted in the Public Contracts Regulations 2015

The UK Regulations go beyond the EU Directives and include measures (the “Lord Young” reforms) to support SMEs bidding for public sector contracts

The Council’s Constitution includes Contract Procedure Rules (CPRs) and Financial Procedure Rules

My role is a part of the Council’s governance structure and I report directly to Carol Chen, Head of Democracy and Governance.



# Governance

## Contract Procedure Rules

CPRs are part of the Council's Constitution and govern how we select suppliers to undertake work and provide goods and services, including the use of Consultants.

They also apply to contracts for disposals, leasing or hiring of goods or vehicles and to concession contracts.

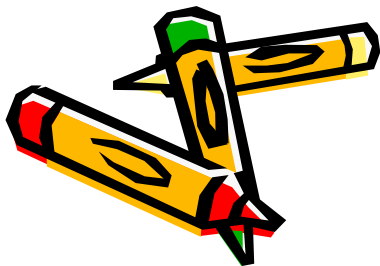
Any Agents, Consultants and Partners acting for or on behalf of the Council must also comply with these Rules

All Contracts, Framework Agreements, SLAs and Purchase Orders etc are legally binding agreements to which the Contract Procedure Rules apply.



# Procurement Process 1

- Needs a clear, detailed Specification (what we want, when we want it, where we want it and to what standard.)
- Assess potential TUPE (Transfer of Undertaking (Protection of Employment) Regulations) implications.
- Must show how bids are to be Evaluated.
- Financial assessment and checks on supplier capabilities.
- We consider Collaborative Procurement including the use of Framework Agreements (FAs).
- FAs – where the government or other public bodies have already gone through a competitive tendering exercise.
- FAs are used by “calling off” a contract by direct award or mini competition, a simpler, quicker and compliant route to market.
- We can and do set up FAs ourselves that others can use.



# Procurement Process 2

- The tender process is electronic via a dedicated portal.
- The process is about giving all potential bidders a level playing field and to be Open, Fair and Transparent.
- Details added to the Council's Contracts Register to comply with the Local Government Transparency Code 2014. This is published quarterly on the Council's website
- All bidders are advised of the outcome and Feedback is given to all bidders.
- Advice is available to staff via our Contract & Relationship Management Forum and a "Toolkit" of Guidance and Good Practice.



# A Few Statistics

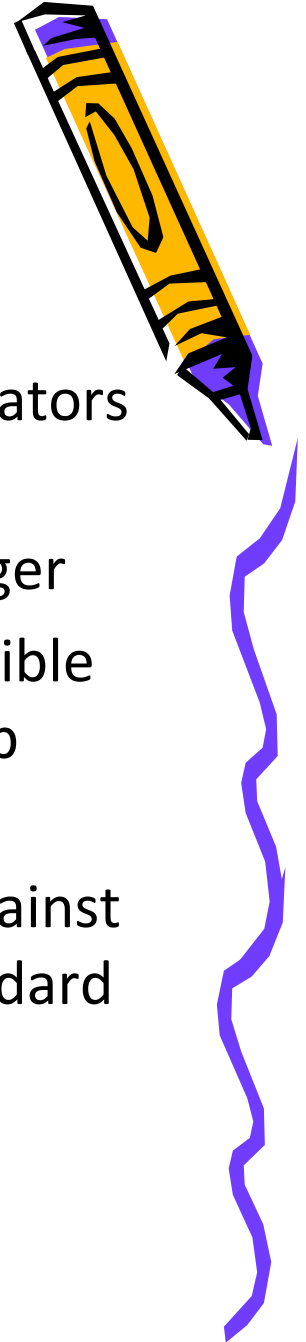
- £30 M – sum paid out by Watford BC to 1,200 third parties in 2017/18
- Not all related to contracts and purchases but most of the money paid was under some form of contract or Purchase Order
- Over 350 contracts shown on the Contract Register
- Over 40 significant suppliers (each >£100K)
- Largest being for waste services (Veolia), parking services (Indigo), Construction projects ( including Murrill Construction), Interim staff (including Comensura)
- Those key areas accounted for over half the spend
- Leisure Centre Management is a major contract which provides an income



# Monitoring performance and compliance

- Every contract should include Key Performance Indicators (KPIs) relating to the services tendered
- Every Contract should have a named Contract Manager
- The Contract Manager shown “Own” and be responsible for the contract, its performance and the relationship with the contractor
- Regular reporting of performance and monitoring against the requirements of the Specification should be standard practice

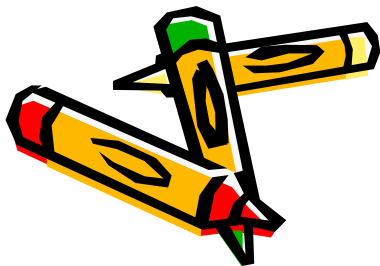
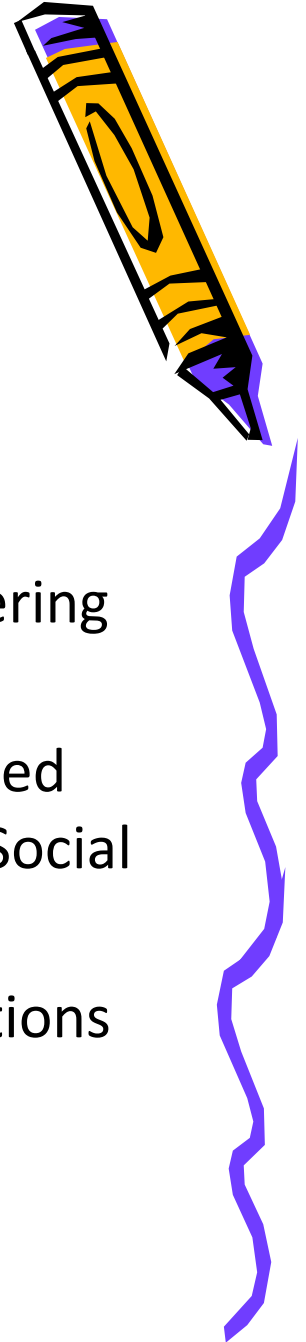
“Service Credits” may apply where KPIs are not met





# Social Value

- “Policy through Procurement”
- Public Services (Social Value) Act 2012
- To consider the Economic, Environmental and Social benefits of our approaches to procurement
- Social Value, part of designing, developing and delivering the Council’s policies, programmes and services.
- It is the additional value, beyond that directly delivered by the service, that has an impact on the Economic, Social and Environmental wellbeing of our area
- Promoted by including Social value criteria in evaluations



Thank you

Any Questions?

