



**To:** Joint Audit Committee

**From:** Chief Constable

**Date:** 23 June 2014

## **CONTRACTS AND PROCUREMENT INTERIM REPORT 2013/14**

### **1. Purpose**

1.1. To provide the Committee with an update on the work of the Contracts and Procurement function for the period April 2013 to March 2014.

### **2. Background**

2.1. The Contracts and Procurement function exercises the powers delegated by the Authority for the tender, evaluation and award of contracts and for the review of purchases made by devolved budget holders.

2.2. This review outlines its performance in terms of the major contracts let and the exemptions to Standing Orders approved during this period.

### **3. Service Level Expectations and Key Performance Indicators**

3.1. The Joint Procurement Department's (JPD) primary objective has been to align contracting activity across the three Forces to not only ensure an opportunity to aggregate and collaborate on future requirements but to exploit synergy in the three supply chains. Category management is now embedded with Contracts Officers managing contracts within their category irrespective of ownership across the three forces. The Contracts Team service the requirements of the three forces and continues to actively engage with clients and encourage them to be more proactive in the management of their contracts and to consider the other Forces when identifying a requirement to purchase.

- 3.2. The Collaborative Head of Procurement, Simon Mulvey continues to work very closely with the Heads of Finance in the three forces to identify new and innovative ways of streamlining processes and policies to deliver savings.
- 3.3. The Contracts Manager is currently on maternity leave and there are currently two vacancies within the team, recruitment to these posts will begin in June 2014.
- 3.4. Simon Mulvey, Head of Procurement, has been voted as Vice Chair of the National Police Procurement Executive (NPPE) and subsequently joining the Strategic Police Procurement Board (SPPB).
- 3.5. BCH are the national lead for the Home Office National Police Procurement Hub Pathfinder. The BCH Procurement Team will run this exercise through Herts, before rollout to Cambs and Beds.
- 3.6. The Head of Procurement has submitted a long term strategy to the Procurement Board.
- 3.7. The Joint Procurement Department had a productive year and continues to promote effective procurement and governance throughout the forces.

#### 4. Contracts and Exemptions

4.1. Schedule 1 details contracts which have been let by the team in 2013/14 with a total value of £8,785,548.97

4.2. Schedule 2 lists Exemptions from Contract Standing Orders;

The total value of the 21 exemptions was £618,558, in 2012/13 this was £944,184 over 34 exemptions.

4.2.1. The value and number of exemptions has decreased year on year showing an increased use of the Joint Procurement Department and the questioning by the team of the need to utilise exemptions in certain circumstances identifying an alternative route to market.

4.2.2. It should be noted that, whilst exemptions can be a bona fide need for a specific supplier, there are instances of suppliers being chosen that have "unique" offerings which might be desirable and not essential. The need for Procurement to become involved earlier in the process of purchasing has never been greater, so that a more generic specification can be formulated is clear. Ultimately this will lead to more choice, better value, ease of acquisition and compliance with legislation.

4.2.3. We continue to audit supplier spend in accordance with Contract Standing Orders to ensure that:

- a) Exemptions have been raised where appropriate.
- b) The opportunity to convert the exemption into a contract is fully investigated.

- c) Timelines can be converged to enable letting of 3 force contracts in line with collaborative expectation but weighed against risk involved by not tendering for a given period of time.

#### 4.3. Schedule 3 - Cashable & Process Savings

Total tri-force savings of c. £706,232, representing an 8% saving against contracts let. Highlights include;

- A change to the building cleaning contract identifying £574k worth of savings over the year.
- A reduction in legal services expenses of £50k per annum.
- Work continues in conjunction with Crown Commercial Services and other purchasing consortia that are coordinating a pipeline of contracts with view of allocating responsibility to individual Forces to procure on behalf of all participating forces. National Police Procurement Executive meetings are held quarterly ensuring closer working with other Forces, sharing information, minimising duplication and the development of contract monitoring.

### 5. **Priorities**

5.1. The Collaborative Head of Strategic Procurement has detailed the following priorities for the Department to focus on:

- Fully implement new standard working practices, including terms, contracts and procedures for the Department.
- Identify and deliver savings through alignment of Bedfordshire, Cambridgeshire and Hertfordshire Contracts.
- Train staff and internal clients to carry out effective contract and supplier management
- Influence national frameworks for the benefit of BCH, through engagement with the East of England Procurement Team, National Police Procurement Executive and Strategic Police Procurement Board.
- Mapping the supply chain to the organisation and optimising where required.
- Devise and deliver on a procurement strategy that outlines savings targets in line with internal change management programmes.
- Continue to develop and train procurement staff to in order to create a best in class procurement function.

### 6. **Training**

6.1. The Joint Procurement Department has benefitted from continuous training relating to EU Procurement legislation. The landscape of Public Sector Procurement is changing and within the next twelve months Procurement teams will be required to make major changes to practices and processes. The changes to Public Contract

Regulations expected in 2014/15 will be first major change to Procurement regulations since their implementation in 2006.

- 6.2. The Procurement Team currently has 3 members of staff training to complete a NVQ4 in Supply Chain Management which will lead to staff gaining membership to the Chartered Institute of Purchase and Supply (MCIPS) which is widely regarded as “the global standard” of qualification for procurement staff.
- 6.3. For the incoming year, training needs to continue and will have a focus on softer skills which are also areas identified for learning.
- 6.4. In 2014/15 skills gaps will be identified within the current team and a training strategy finalised by the Procurement Management team in order to ensure staff are effectively trained and leading the way in innovative procurement ideas. Due to cuts in training budgets a train the trainer approach will in most cases be adopted, reducing the costs whilst increasing staff skills.

## 7. Supplier Database

- 7.1. Suppliers form an integral part of the work the procurement team undertakes and require active management through more technical procurement processes. In past years the team have been maintained the supplier database with the aim of rationalising the database and removing those suppliers whom we have not placed business with for 18 months.
- 7.2. One of the priorities for 14/15 is to review and adapt the management of the supply chain within the organisation and as part of this the Procurement Team will be outlining a strategy for Supplier Relationship Management with internal clients and senior stakeholders. There are numerous benefits to having a supplier relationship management strategy not least the ability to target key suppliers and bring innovation and deliver cost efficiencies to the business.

## 8. Recommendation

- 8.1 The Committee is recommended to note the report.

## BIBLIOGRAPHY

Source Document (s)	Contact Officer	Location
	Niki Howard Director of Finance and Resources T. 01480-442230	Cambridgeshire Constabulary Hinchingsbrooke Park, Huntingdon,

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**SCHEDULE 1**

**CONTRACTS LET FROM 1 APRIL 2013 TO 31 MARCH 2014- ABOVE 30K (Total Contract Value)**

<b>Contract Ref</b>	<b>Contract Details</b>	<b>Value</b>	<b>Contract Term (Year + Extension)</b>	<b>Contractor</b>
E/3/0015/13	Replacement and Upgrade of Heating & Ventilation Systems - Thorpe Wood	£378,746.00	12 weeks	Adcocks Refrigeration & Air Conditioning
I/5/0043/13	NPIA/PITO NSPIS Contracts - Legal Database & Force Reference Database	£160,000.00	N/A	SCC
I/5/0055/13	NSPIS Custody & Case Preparation Software	£166,799.00	N/A	SCC-Capita
E/5/0062/13	Beds & Cambs Liquid Fuels	£220,000.00	2	GB Oils
I/5/0024/13	ICCS Maintenance	£375,028.71	3	APD Communications Ltd
E/4/0025/12	Building Cleaning Services Contract for Bedfordshire, Fire & Rescue Service, Bedfordshire Police, Cambridgeshire and Hertfordshire Constabularies	£5,369,704.00	4+1	Solo Service Group
E/4/0079/13	Provision of meals and drinks for custody detainees	£308,000.00	4	3663 First for Foodservice

I/3/0009/13	Onsite Technical Support and Resources	Ad Hoc – spend previously above £30k	5	Xpertex
I/5/0010/12	Cisco ICT Support and Maintenance	£47,759.74	1	SCC-sungard Ltd
E/4/0001/12	Laundry Services Framework	£400,000.00	3 + 1	Peterborough Laundry
C/5/0020/13	E Recruitment under Sprint II Framework	£178,094.96	3 + 2	WCN through SCC
C/5/0049/12.3	National Legal Services Framework- Cambs Estates	£375,000	2.5	Michelmores LLP- Lot 4
O/5/0071/13	BMW Motorcycles Fleet and Spare Parts	£154,280.00	3 + 1	BMW
O/5/0068/13	National Drug Testing on ArrEstatesEquipment and Services	£102,000.00	2 2mth	Alere
O/7/0050/13	Body Worn Cameras	£188,000.00	3	Pinnacle Response
O/5/0075/13	Supply and Delivery of All Climate Wicking Shirts	£105,170.40	4 + 1	Sugdens
O/5/0001/14	Supply of First Aid Equipment and Pharmaceuticals	£256,966.16	4	Aero Healthcare
<b>Total</b>		<b>£8,785,548.97</b>		

## SCHEDULE 2

### EXEMPTIONS LIST FROM 1 APRIL 2013 TO 31 MARCH 2014

File Ref No.	Nature of Purchase	Contract Value	Reason
1102	Technical Support Equipment-Covert	£10,420	Specific Supplier
1101	Wireless by networks-Wi-Fi Survey	£8,450	Sole Source
1100	Deep cleaning of 4 x force kitchens/Serving areas	£14,000	Sole Source
1099	Oracle Licensing Renewals	£90,132	Specific and Secret
1098	Advisory service Distributing Constabulary Welcome Packs	£5,600	Sole Source
1097	Draught proofing doors and windows	£30,000	Continuity of service
1096	Repair of leak	£30,000	Urgent
1095	Wireless AP Survey tool	£4,800	Continuity of service
1094	Covert Tracking Equipment	£10,000	Specific and Secret
1093	Physiotherapy services	£5,000	Continuity of Service
1092	support and Maintenance of the force Uninterrupted Power Supplies (UPS)	£6,000	Framework
1091	Consultancy for Metis Programme	£10,000	Specific
1090	Covert video and audio devices	£15,673	Sole Source
1089	1 years membership of the Beech Consultancy Institute Development	£20,000	Framework/Sole Source



1088	HOOTSUITE ENTERPRISE for social media monitoring and evaluation	£10,000	Continuity of Service
1087	Purchase of additional Videobadge CCTV cameras and associated charging units/maintenance in a replacement programme for Pinnacle	£118,000	Sole Source
1086	Rental of 15 Buddi (Tagging Units) for up to 12 months	£36,000	Sole Source
1085	Maintenance Contracts for ANPR Units	£38,296	Continuity of Service
1084	Neighbourhood Alert System	£42,465	Continuity of Service/Sole Source
1083	Inspection and repair of lighting protection force-wide	£26,722	Continuity of Service
1082	Conversion of 12 Skoda Octavia Scouts to Dog Vehicles by Auto Umbau	£87,000	Sole Source
<b>Total</b>		<b>£618,558</b>	

### Explanation of Terminology

**Sole Source** – Product/Service is proprietary/unique and would not be available more competitively/at all via another source.

**Retrospective/Urgent** – Due to nature of requirement, action taken to resolve issue without delay, or audit of aggregated expenditure identified need for an exemption

**Specific** – similar to sole source, source identified has no alternatives.