

# Business Support Overview and Scrutiny Committee – Supplementary agenda no. 1

**A meeting of the Business Support Overview and Scrutiny Committee will be held on:**

**Date:** 6 July 2017

**Time:** 6.30pm

**Venue:** Meeting Room 2 - Level 3, Gun Wharf, Dock Road, Chatham ME4 4TR

## Items

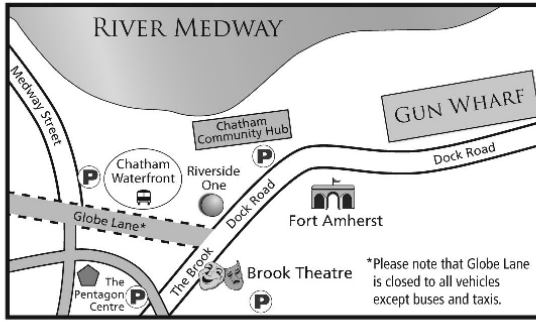
**7 Procurement Strategy**

**(Pages  
3 - 6)**

An updated version of Appendix 1 to this report is enclosed.

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**Date:** 4 July 2017



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If you have any questions about this meeting and you want to speak to someone in your own language please ring **01634 335577**

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# **Medway Council Procurement Strategy 2016-21**

## **Update July 2017**



Spending Public Money Better

We launched our new 2016 – 2021 Procurement Strategy to ensure that we improve on the last strategy and continue to make Medway Council a great council to do business with.

We set ourselves 22 ‘objectives’ across the following five key strands:

- Supporting the local economy
- Reducing red tape
- Improved services, better outcomes
- Intelligent spending
- Sustainable Procurement

Below is a summary of our progress in the year September 2016 to June 2017 against those objectives. As you will see there has been progress made.

## Summary

- 11 objectives have been completed (Green)
- 11 objectives are on target to be fulfilled. (Amber).

## Headlines

In the attachment is the detailed performance against each of the objectives. The headlines are:

- The council continues to engage with local suppliers and SMEs via its annual Meet the Buyer Event which was held 23<sup>rd</sup> March 2017 for which we received positive feedback.
- We have reduced the administrative burden on local suppliers and SMEs via our standard documents and passporting process.
- We have engaged with the voluntary sector to help them be more successful in tender opportunities
- The council is gaining control over its spend to reduce maverick spend by working with finance.
- We have created Frameworks which reduce time for delivery and are being used by other public bodies in Kent including KCC.



Spending Public Money Better

Objectives	Timescale	Progress	RAG
<b>Supporting the local economy</b>			
Continue to hold an annual Meet the Buyer Event	March (Annually)	<p>March 2017 event successfully held. Quotes below  <i>"We already work with Medway but I was particularly pleased to see how open and keen everyone was to work with suppliers in a positive way. The event, in itself, shows the commitment of Medway Council to engage with suppliers."</i>            Suez</p> <p><i>"I feel that Medway's communication is better than most of the majority of other local authorities and other authorities that we work with further a field. Good to see and others could learn from your approach."</i>            SEA Systems</p> <p><i>"We currently do not do Any business with Medway, but following conversations with category manager for IT we hope this will change."</i>            hSo</p>	GREEN
Review the thresholds at which we undertake 3 quotes. Ensure more competition and interest from SMEs Eg reduce threshold from £5k-£100k to £1k-£50k.	Dec-17	On target: Consult with all parties to find consensus	Amber
Introduce Sustainable Flexible Framework to Level 3 to embed the delivery of the Social Value Act.	Dec-17	On target: Steps to start implementing the steps to achieve target	Amber
Speed up payments to SMEs through the use of technology.	Dec-17	Complete: Finance have introduced EDI to speed up payments through electronic purchase order and invoice matching	GREEN
<b>Reducing red tape</b>			
Increase use of model form documents to simplify all procurements for SMEs	Dec-16	Complete: Using PAS91 and implementing newest document from Crown Commercial Services	GREEN
Embed passporting through tenders, bidders who are pre-accredited	Dec-16	Complete: Using evidence of previous Medway tenders or 3rd Party accreditation such as Constructionline, we are reducing the burden of suppliers.	GREEN
Embed use of model form contracts for goods/services/works contracts and frameworks. This reduces legal costs and enables SMEs to participate in tenders more easily.	Dec-16	Complete: Legal have approved model forms of contract to be used in tenders	GREEN
<b>Improved services, better outcomes</b>			
Hold a voluntary sector specific supplier engagement day	Oct-16	Complete: Event presented October 2016	GREEN
Embed Supplier Relationship Management (SRM) through good contract management with KPIs	Jan-17	Complete: The team are currently working with service areas for each tender to include KPIs and then we are utilising the Kent Business Portal Contract Management Module to undertake and record the contract management	GREEN
Collaboration across Public sector bodies to ensure buying power is efficiently utilised into attractive contracts that encourage SME participation.	On-going	We have put in place Frameworks that we have opened up for use by other public bodies in Kent and. We are currently working on a new Minor Works Framework to further this aim .	GREEN
Transparent costs for the goods and services that are bought by the council	On-going	We are currently working with finance to build up our list of catalogues so that when purchases are made, we are buying from the correct supplier at the correct prices	GREEN
Appropriate support from suppliers to combat CSE/Domestic abuse	On-going	On Target: will be including this as part of the annual meet the buyer event.	Amber

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Appropriate support from suppliers to promote workplace health	On-going	On Target: will be including this as part of the annual meet the buyer event.	Amber
<b>Intelligent spending</b>			
Reduce fragmented spend. Make sure contracts we have in place are used.	Jan-17	Contracts register being regularly updated and published to ensure council officers know where to buy goods and services from. Need systems in place to ensure that council officers are buying from contracted suppliers.	Amber
Increased implementation and use of both Medway and external Frameworks	On-going	On Target: Working with finance to control which suppliers are used.	Amber
Introduce purchasing cards to speed up payments for SMEs	Apr-17	Conversations are ongoing	Amber
Automate Invoice Processing to speed up payments for SMEs	Aug-17	Finance are now introducing e-invoicing to speed up processes and reduce errors	GREEN
Introduce Purchase 2 Pay system / e-catalogues, punch outs to reduce paper costs	Aug-18	Conversations are ongoing and we are working with finance to implement catalogues.	Amber
<b>Sustainable Procurement</b>			
Implement Frameworks to reduce time to market	On-going	Complete: Awarded Civil & Structural Engineering Consultancy Framework On target: Construction Minor Works Framework and other frameworks being considered eg clothing	Amber
Medway Category Management seen by other public bodies as a beacon of best practice and professionalism and the go to team for procurement support and advice	On-going	Category management has worked with CCGs, Gravesham, Sevenoaks and Medway Norse to support their tender requirements. We are getting new requests eg Royal Tunbridge Wells but are having to consider the resource implication as to whether we can support these requests.	Amber
Introduction of internal self-service for the use of frameworks using the e-procurement system to speed up awards.	Dec-16	Complete: Council officers can be set up to run mini competitions from Frameworks within the e-tendering system	GREEN
Launch of Procurement Consultancy to provide Procurement services to both Public and Private sectors	Apr-17	Conversations are ongoing	Amber