

Medway Council
Procurement Strategy
2013-16

Update September 2015.

When we first launched our new 2013 – 2016 Procurement Strategy we wanted to ensure that we made Medway Council a great council to do business with.

We set ourselves fourteen 'measures of success' across the following four key strands:-

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

Below is a summary of our performance up to March 2015 against those measures of success. As you will see we have made real progress against the majority of measures for the second year running.

Summary

- 11 measures of success already met or exceeded.
- 3 measures of success slightly underachieved but good progress made.


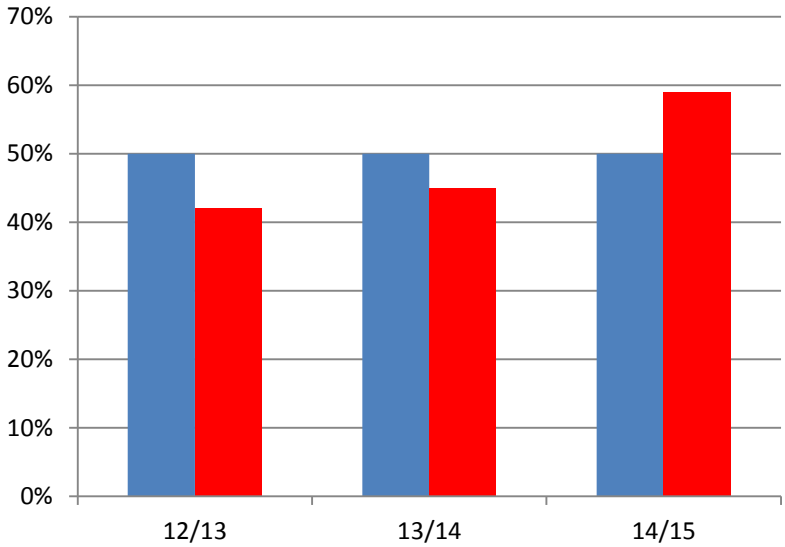



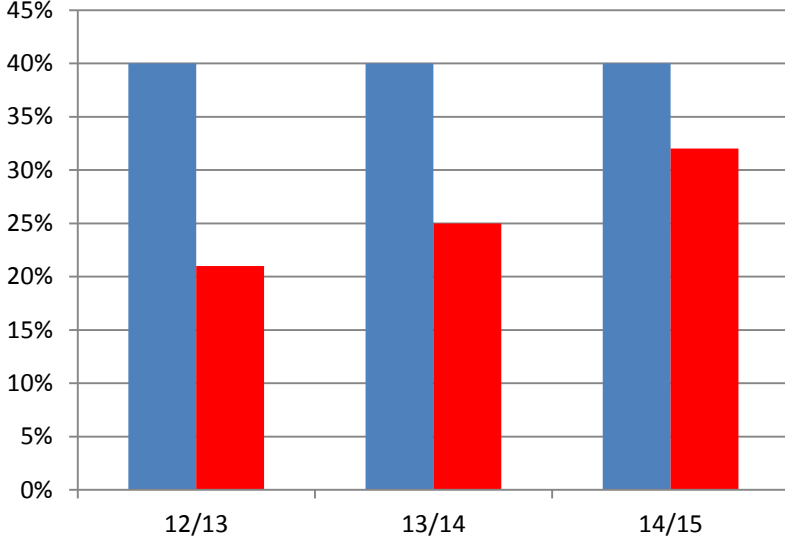






Headlines





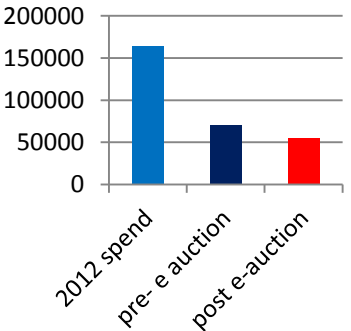
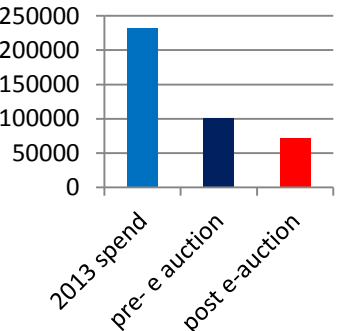

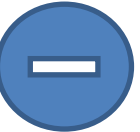

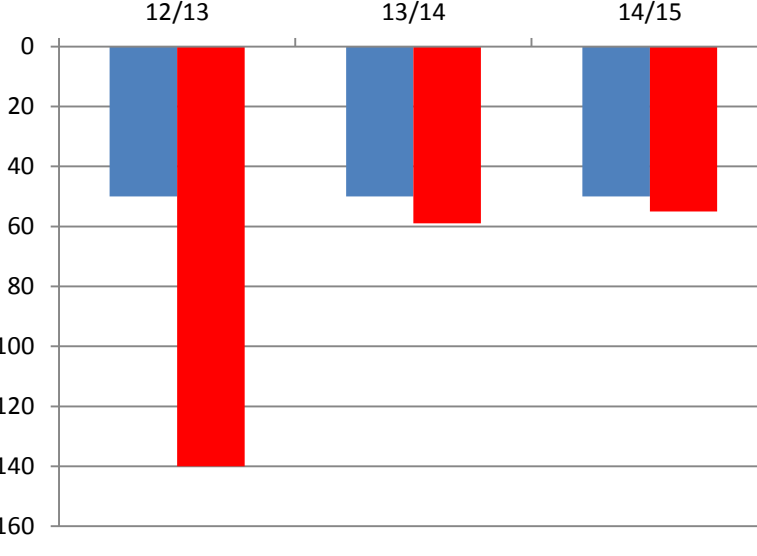
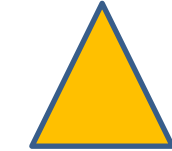




Set out below is the detailed performance against each of the measures of success. The headlines however would be:

- It is now much easier to hear about opportunities to contract with the Council.
- We have cut red tape and halved the time for contracting with us.
- If you are an SME you are now more likely to win our contracts because nearly two thirds of our contracting is with local and other SMEs



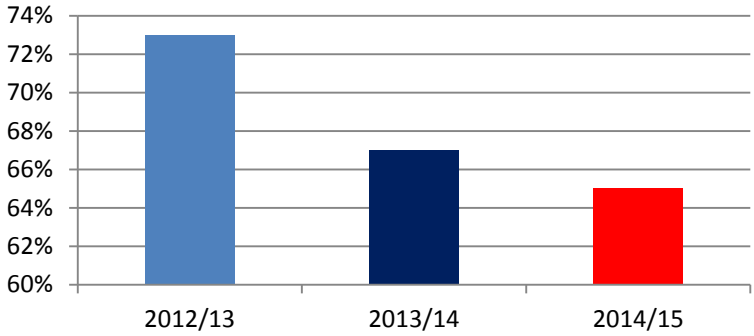











Spending Public Money Better

Strand	Measure of Success	Success Is	Short Trend	Financial Year	Progress to Date	Commentary
Supporting the Local Economy	50 % of third party controllable spend is with SME's		Complete August 2015		 This 'Measure of Success' has been met or exceeded	<p>An analysis of our spend data for the year 14/15 shows that 59% of our spend went to SME's (compared to 45% for the same period in 13/14 and 42% in 12/13).</p> <p>This is a significant improvement on last year and shows very good progress. The Council's contract spend is benefitting almost two thirds of SMEs within Medway, Kent and the South East.</p>
Supporting the Local Economy	40 % of third party controllable spend is with local SME's				 This 'Measure of Success' is below target but is improving year on year	<p>An analysis of our spend data for the year 14/15 shows that 32% of our spend went to local SME's (compared to 25 % for same period in 13/14 and 21% in 12/13).</p> <p>Whilst not as high as we would have liked, it is a step in the right direction. The Council's contract spend is benefitting almost a third of Medway SMEs.</p>
Supporting the Local Economy	Contractors that receive more than £1 million per year from the council must support at least one apprentice at any time during the life of the contract				  This 'Measure of Success' has been met or exceeded	<p>8 apprenticeships have been created through Medway's joint venture company - Medway Norse.</p> <p>A further 22 have been created through the re-tendering of our HRA Repairs & Development Work contract.</p> <p>All tender documents now include social value questions asking suppliers to include the offer of local employment and supply chain opportunities.</p>

<p>Supporting the Local Economy</p>	<p>Young unemployed people, care leavers, disabled people and ex-service personnel are getting apprenticeships through our suppliers</p>					 <p>This 'Measure of Success' has been met or exceeded</p>	<p>We have encouraged suppliers to create links with our 'Looked After Children's Team' and other support services to advertise apprenticeships to these hard to reach groups.</p> <p>Two young people with learning disabilities and one care leaver have secured apprenticeships with suppliers to the Council.</p>
<p>Reducing Red Tape</p>	<p>The Council will introduce an e-Procurement System that will enable providers to register once and be alerted about all procurement opportunities by September 2013. The use of e-auctions as part of the procurement process has produced further savings to high spend services</p>		<p>Complete Sept 2013</p>	<p>Chlamydia Screening 2013</p> 	<p>Mobile Phones 2014</p> 	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>The Pro Contract e-tendering system was installed in September 2013 and is currently used for all invitation to quote & invitation to tender opportunities above £5K.</p> <p>We have used e-auctions on a couple of occasions to good effect. You will see the impact e-auctions can have in the right market to harness competition and drive down costs.</p>
<p>Reducing Red Tape</p>	<p>The Council will reduce the average timescale of Procurements from 140 days to 50 days by September 2014</p>				 <p>This 'Measure of Success' is slightly below target Target, but is improving year on year</p>	<p>Through the use of e-tendering, frameworks and Prior Information Notices (PIN), the Council has managed to reduce the average timescale for procurement let during the current financial year to just 55 days (compared to 59 days for the same period in 13/14 and 140 in 2012/13). The next 12 months should see these timescales reduced further as procurements will follow the revised statutory timescales detailed in the Public Contracts Regulations 2015.</p> <p>So one average it used to takes us five months from start to finish for a procurement process. Now we complete it in less than two months.</p>	
<p>Reducing Red Tape</p>	<p>Suppliers tell us that our processes are straight forward, less bureaucratic and that we have reduced red tape</p>			<p><i>"It is nice to partake in such a well organised and efficiently managed procurement process"</i> – Rundle & Co Ltd.</p>		 <p>This 'Measure of Success' has been met or exceeded</p>	<p>Feedback has continued to be positive from our supplier events held throughout the year – specifically in relation to the Kent Business Portal. Many suppliers say that the introduction of a single place to find tender opportunities and the transparency of the system has improved our processes. The use of the PAS91 form, a standard construction prequalification questionnaire, has further streamlined the process.</p>

<p>Reducing Red Tape</p>	<p>Suppliers tell us they find it easier to spot opportunities to bid for work</p>			<p>Registered Suppliers</p> 	<p>Registered Suppliers</p> 	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>The number of Medway suppliers registered on the Kent Business Portal has continued to increase during the last 12 months.</p> <p>As of August 2015 there were in excess of 1300 Medway based suppliers compared to 1000 suppliers the previous year, increasing the visibility and competition for Medway opportunities.</p>
<p>Improved Services, Better Outcomes</p>	<p>A minimum of 80% of procurements over £3 million will include pre-tender dialogue with suppliers</p>			<p>2013/14</p> 	<p>2014/15</p> 	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>100% of pre tender dialogue events have been held for all contracts in excess of £3 million covering areas such as HRA Estates Services, Supported Living, Community Equipment, Medway Action for Families and Consultancy & Minor Works Frameworks.</p>
<p>Improved Services, Better Outcomes</p>	<p>We can show you examples of council services that have Improved through better procurement</p>			<p>Homecare Gold Service Standard</p> 	 <p>A new Council bungalow constructed in Gillingham</p>	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>There are two case studies available (Homecare & Chlamydia Screening) via the Councils website that show how better procurement has improved services. The number of providers who meet our "gold" Homecare standard has continued to increase.</p> <p>Other areas where we have improved services are Information Technology, Supported Living, Housing Repairs and by building new affordable housing.</p>
<p>Improved Services, Better Outcomes</p>	<p>The people that use council services, residents, community organisations and partners tell us that the goods and/or services being procured meet their needs and, where appropriate, they are involved in the procurement process</p>				<p><i>"Thank you for allowing me to be part of today's interviews As a tenant I feel privileged to be part of this process that will effect many tenants and lease holders"</i></p> <p>Mr S, Medway Tenant Representative March 12th 2013</p>	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>Representatives of tenants and leaseholders were involved in the procurement process for the Housing Revenue Account Estates Services contract in March 2015, which was awarded to Norse Commercial Services (the parent company to our joint venture Medway Norse) in July 2015.</p>

<p>Intelligent Spending</p>	<p>Reduce by 25 % the number of invoices with a transaction value of less than £500 by September 2014 with the introduction of Purchasing Cards</p>			<p>% of Total Transactions Under £500</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>% of Total Transactions Under £500</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>73%</td> </tr> <tr> <td>2013/14</td> <td>67%</td> </tr> <tr> <td>2014/15</td> <td>65%</td> </tr> </tbody> </table>	Year	% of Total Transactions Under £500	2012/13	73%	2013/14	67%	2014/15	65%	 <p>This 'Measure of Success' is below Target but progress has been made over the last year</p>	<p>This measure has seen some progress.</p> <p>The use of Purchasing Cards will be introduced in the autumn of 2015. The Crown Commercial Services Framework will be used to run a competition and appoint the provider.</p> <p>We believe that we can make better progress against this measure in the next year.</p>
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<p>Intelligent Spending</p>	<p>Our suppliers come to 'Meet the Buyer' events, engage in pre-procurement dialogue and, if appropriate, we secure their input and expertise to develop our services</p>			 <p>Another packed supplier event in March 2015.</p>	<p>Meet the Buyer 2015</p> <p>Julie Anderson, Director of Maidstone based Rap Interiors said of the event <i>"what an amazing "Meet the Buyer" event with Medway Council I wish there were more Buyers with this approach to getting procurement right"</i></p>	 <p>This 'Measure of Success' has been met or Exceeded</p>	<p>A number of Meet the Buyer events have been held with high levels of attendance and feedback across all categories and included the Minor Works Framework, Professional Services for the Consultancy Framework and People Services.</p> <p>Feedback has been key from these events in terms of understanding the market and helping to develop our respective procurement approach.</p>							
<p>Intelligent Spending</p>	<p>Local Chambers of Commerce, the federation of Small Businesses, other local business associations, other representative trade and industry bodies and voluntary sector representative groups engage with us in developing our procurement approach</p>				<p>Neville Gaunt, North Kent Chairman of the Federation of Small Businesses for Kent & Medway:</p> <p><i>"It is great to see Medway Council changing the environment for SME procurement. I was particularly impressed that Medway has set itself a target for contracting with SMEs which is double the Prime Minister's target for Government Department "</i></p> <p>March 2013</p>	 <p>This 'Measure of Success' has been met or Exceeded</p>	<p>Both the Kent Chambers of Commerce and the Federation of Small Businesses have endorsed our 'How to do Business with Medway Council' booklet.</p> <p>We have been working with TrAC (Training and Apprentices in Construction) to assist with the placement of apprentices, and engaging with local business and the National Federation of Builders to develop the scopes of works for each category of the Minor Works Framework</p>							

