

Medway Council Procurement Strategy 2013-16

To Conclude



Spending Public Money Better

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 progress in the year June 2015 to June 2016 against those measures of success. As you will see we have made a modest progress against some of them for the third year running and are positive that we will continue to achieve these going forward in the new 2016-2021 strategy. We have used 2012/13 as our benchmark year and set out the results for last year and this year.

Summary for 2015/16




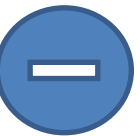

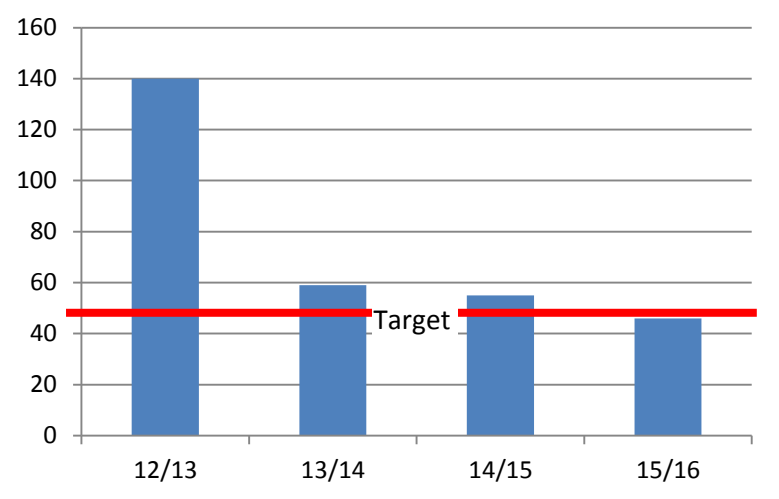





- 12 measures of success already met or exceeded (compared to 11 last year).
- 2 measures of success slightly underachieved but good progress made (3 last year).

Headlines

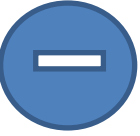

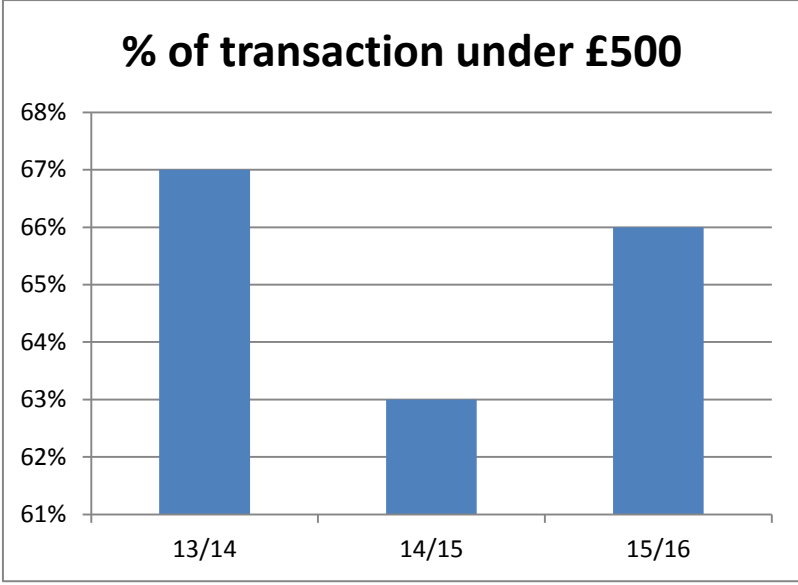









Set out below is the detailed performance against each of the measures of success. The headlines would be:

- It is now much easier to hear about opportunities to contract with the Council.
- We have cut red tape and more than 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.



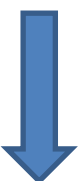


Strand	Measure of Success	Success Is	Short Trend	Financial Year	Progress to Date	Commentary								
Supporting the Local Economy	50 % of third party controllable spend is with SME's		Complete August 2015	<table border="1"> <caption>Spend on SME's (%)</caption> <thead> <tr> <th>Financial Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>13/14</td> <td>45%</td> </tr> <tr> <td>14/15</td> <td>59%</td> </tr> <tr> <td>15/16</td> <td>64%</td> </tr> </tbody> </table>	Financial Year	Percentage	13/14	45%	14/15	59%	15/16	64%	 This 'Measure of Success' has been met or exceeded	<p>An analysis of our spend data for the year 15/16 shows that 64% went to SME's (compared to 59% for the same period in 14/15 and 45% in 13/14).</p> <p>This is a moderate improvement on last year and shows a very good progress. The Council's contract spend is benefitting nearly two thirds of SMEs within Medway, Kent and the South East.</p>
Financial Year	Percentage													
13/14	45%													
14/15	59%													
15/16	64%													
Supporting the Local Economy	40 % of third party controllable spend is with local SME's			<table border="1"> <caption>Spend on local SME's (%)</caption> <thead> <tr> <th>Financial Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>13/14</td> <td>25%</td> </tr> <tr> <td>14/15</td> <td>32%</td> </tr> <tr> <td>15/16</td> <td>37%</td> </tr> </tbody> </table>	Financial Year	Percentage	13/14	25%	14/15	32%	15/16	37%	 This 'Measure of Success' is below target but has been improving year on year	<p>An analysis of our spend data for the year 15/16 shows that 37% of our spend went to local SME's (compared to 32 % for same period in 14/15 and 25% in 13/14). Whilst not as high as we would have liked, it is a step in the right direction. The Council's contract spend is benefitting more than a third of Medway SMEs.</p>
Financial Year	Percentage													
13/14	25%													
14/15	32%													
15/16	37%													
Supporting the Local Economy	Contractors that receive more than £1 million per year from the council support at least one apprentice at any time during the life of the contract			<p><i>Medway norse</i> In partnership with Medway Council</p> <p>CIPS PROFESSIONAL ETHICS</p>	 This 'Measure of Success' has been met or exceeded	<p>8 apprenticeships have been created through Medway's joint venture company - Medway Norse in 2014-2015. Further 6 were established in 2015-2016.</p> <p>Another 22 have been created through the re-tendering of our HRA Repairs & Development Work contract with Mears and this number is increasing.</p> <p>All tender documents now include social value questions asking suppliers to include the offer of local employment and supply chain opportunities.</p>								
Supporting the Local Economy	Young unemployed people, care leavers, disabled people and ex-service personnel are getting apprenticeships through our suppliers				 This 'Measure of Success' has been met or exceeded	<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. 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>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 £5,000. This threshold has been reduced from £10,000 in previous years, following instruction from central government that all tenders over £5,000 must be published. This amendment to the Council's Contract procedure Rules was approved at full council meeting on 12th August 2015</p>										
<p>Reducing Red Tape</p>	<p>The Council will reduce the average timescale of Procurements from 140 days to 50 days</p>			 <table border="1"> <caption>Average timescale of procurements (days)</caption> <thead> <tr> <th>Financial Year</th> <th>Average Timescale (days)</th> </tr> </thead> <tbody> <tr> <td>12/13</td> <td>140</td> </tr> <tr> <td>13/14</td> <td>60</td> </tr> <tr> <td>14/15</td> <td>55</td> </tr> <tr> <td>15/16</td> <td>48</td> </tr> </tbody> </table>	Financial Year	Average Timescale (days)	12/13	140	13/14	60	14/15	55	15/16	48	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>Through the use of e-tendering, extensive frameworks, calls of contracts and Prior Information Notices (PIN), the Council has managed to reduce the average timescale for procurement let during the current financial year to just 48 days (compared to 55 days for the same period in 14/15 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. As more frameworks are going to be established, considerably more 5-7 days mini competitions will take place thus reducing the overall procurement process further.</p>
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12/13	140															
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<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 exciting to hear there is potentially a great pipeline of opportunity in the region and hopefully many other clients will realise the benefit of the work you have done to establish this and will utilise the (Construction Professional Consultancy) Framework."</i></p> <p>Ella Brocklebank, Business Development Manager Woodley Coles, 2015</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>Number of local suppliers registered on Business Portal</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. As of August 2016 there were in excess of 1800 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>			<div style="display: flex; justify-content: space-around;"> <div data-bbox="1219 682 1605 1010"> <p>2014/15</p>  </div> <div data-bbox="1611 682 1967 1010"> <p>2015/16</p>  </div> </div>	 <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 and 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>Number of routes</p> 	 <p>This 'Measure of Success' has been met or exceeded</p>	<p>There is a case study available (SEN Transport Framework) via the Councils website that show how better procurement has improved services.</p> <p>We have managed to reduce the number of routes (shown in the diagram) by optimising the travel plans. This has impacted on congestions reduction and, therefore, reduced carbon emissions.</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 2015</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 HRA 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 transaction under £500</p>  <table border="1"> <caption>% of transaction under £500</caption> <thead> <tr> <th>Year</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>13/14</td> <td>67%</td> </tr> <tr> <td>14/15</td> <td>63%</td> </tr> <tr> <td>15/16</td> <td>66%</td> </tr> </tbody> </table>	Year	%	13/14	67%	14/15	63%	15/16	66%	 <p>This 'Measure of Success' is below Target</p>	<p>The Purchase Order Invoice Matching system is planned to be implemented in one years time to eliminate the manual processing of invoices from many different suppliers. Instead, most of the highly demanded services will be under frameworks covered by certain authorised suppliers, which will reduce the number of upcoming invoices. Moreover, those will be inputted into the system automatically with a new software that is being under consideration.</p>
Year	%													
13/14	67%													
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<p>Intelligent Spending</p>	<p>Link to 80% dialogues. 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 2016</p> <p>"...liked the format of suppliers receiving the latest information on forthcoming contracts and then having the opportunity to meet the buyers. Great matching up..."</p> <p>Paul Gargan Director of Gargan Limited</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, Construction Professional Services Consultancy Framework and People Services. Feedback has been important 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><i>Neville Gaunt, North Kent Chairman of the Federation of Small Businesses for Kent & Medway:</i></p> <p>"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 "</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>							

Key:

-  More is good
-  Compared to last year we have improved
-  Compared to last year we have got worse
-  Less is good
-  Compared to last year we have not improved