

| Procurement Strategy Strategic Objectives Review | | | | | |
|--|---|------------------|---|-------------|----------------------|
| Supporting the local economy | | | | | |
| # | Objectives | Timescale | Progress | 2017 Rating | 2018 Rating |
| 1 | Continue to hold an annual Meet the Buyer Event | March (Annually) | Last general event was held in March 2017. More specific project related events have occurred since. The benefit of more specific events is they are applicable to an actual project and allow true progression. | Green | No longer applicable |
| 1A | Continue to hold appropriate opportunity specific engagement events | As required | Action (1) required Medway Council to hold an annual 'Meet the Buyer' event - an open door event to engage with all contractors. From the last general Meet the Buyer event held in March 2017, the feedback was that as there were no direct opportunities for the attendees (contractors). To recover the costs of hosting the event, the Category Management team sold tables to other contractors which resulted in the Council's core message of 'working with us' being diluted. The proposal is to hold specific project engagement events to ensure each project with a suitable profile (one with a high risk and/or value) has appropriate market engagement to promote a better outcome. This has been trialled and the feedback so far is much more positive as Small and Medium Enterprises engage when an opportunity arises. | NA | Green |
| 2 | 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 | Instead of reducing the thresholds are originally proposed, the new concept is to increase it but put more SME emphasis on the tendering procedure. This will be undertaken through the Kent Business Portal. | Amber | No longer applicable |
| 2A | Review the Council's Contract Procedure Rules and introduce more robust low value practices to encourage SME participation and speed up award. | Sep-18 | Is it proposed that objective (2) is replaced with (2A). Objective 2 suggested that by reducing the threshold when other teams engage category management, the procurements would result in greater interest from Small and Medium Enterprises (SMEs). Further analysis illustrates that Category Management engagement on lower value projects could actually delay the award process and be detrimental to the desired outcome of SME engagement. As such, the Contract Procedure Rules are being reviewed to introduce a more service led £5k-£25k valued procurement bracket which will allow a quicker award whilst reducing the administrative burden on SMEs. | NA | Amber |
| 3 | Introduce Sustainable Flexible Framework to Level 3 to embed the delivery of the Social Value Act. | Dec-18 | Whilst Social Value is being delivered through the procurements being undertaken by the team, level 3 of the "Flexible Framework" asks for: "(1) All contracts are assessed for general Sustainability risks and management actions identified. (2) Risks managed throughout all stages of the procurement process. (3) Targets to improve Sustainability are agreed with key suppliers." The team can report that sections 1 and 2 of this requirement are being met which is an improvement from last year's report. Part 3 regarding 'targets for improving the sustainability of contracts', need to be further developed. | Amber | Amber |
| 3A | Develop upon the introduction of the Sustainable Flexible Framework to deepen Social Value deliverables within procurements delivered through the utilisation of the National Themes, Outcomes and Measures (TOMs) Framework. | Dec-18 | To assist with and develop upon the requirement of the 3rd section of the sustainable flexible framework, the proposed introduction of the National TOMs framework will provide a systematic approach to ensure social value is identified, agreed and evaluated. | NA | Amber |
| 4 | Speed up payments to Small and Medium Enterprises through the use of technology. | Complete | Finance have introduced Electronic Data Interchanging (EDI) to speed up payments through electronic purchase order and invoice matching. | Green | Green |
| Reducing red tape | | | | | |
| # | Objectives | Timescale | Progress | | Rating |
| 5 | Increase use of model form documents to simplify all procurements for Small and Medium Enterprises (SMEs) | Complete | A review of the procurement documentation has been undertaken. There are three strands to consider; (1) the Pre-Qualification Questionnaire (PQQ) which looks at contractor's past experience and suitability for the contract, (2) the Invitation to Tender (ITT) which details how they will deliver the specific contract being advertised with their pricing for doing so, (3) Terms and Conditions which outline the conditions of any subsequent contract. 1. PQQ - For construction contracts the process can be standardised by using what's called a PAS91 (Publicly Available Specification (the # denotes where it resides within the suite of documentation)). The PAS91 is operational. Within social care contracts, central government has issued a standard PQQ for goods and service related requirements - this has also been fully adopted. All PQQ stages are therefore conforming to model form documents. 2. ITT - There are no existing model form contracts for Medway to adopt, as such our own documentation has been reviewed to ensure all opportunities follow the same format. 3. Terms and conditions - For low value and risk procurements, the Council's legal team have updated their standard terms and conditions. For higher value and/or risk, the team can utilise various standard forms of contract, namely through the Joint Contracts Tribunal (JCT) for construction related projects and the NHS who also have standard terms and conditions for health related projects. | Green | Green |
| 6 | Embed passporting through tenders to speed up the application process for bidders who are pre-accredited against historic projects. | Complete | This has been achieved fully adopting Pre-Qualification Questionnaire (PQQ) documentation - NOTE: bidders can only passport against certain PQQ criteria which includes disclosure of their Health and Safety policies, Environmental policies, Insurances - there is no project specific information as this is unique. The team has incorporated a section within the PQQ for bidders to disclose whether they have successfully passed previously. If so, they must also state whether any of the information has changed. | Green | Green |

| 7 | 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. | Complete | <p>Model form contracts vary depending on the type of procurement;</p> <p>(1) goods - these are typically covered by the Council's standard terms and conditions. These are annually reviewed by the legal team and more recently Purchase Order terms and conditions have been introduced which will assist with the success of action 2A (the adoption of a £5k-£25k procurement bracket)</p> <p>(2) Services - whilst these requirements may be covered by the Council's standard terms and conditions, we may also utilise the NHS standard terms.</p> <p>(3) Works - these procurements are typically covered by either the Joint Contracts Tribunal (JCT) or New Engineering Contract (NEC). Both are suites of terms and conditions where the relevant contract is picked based on the profile of the project.</p> <p>As all of the above have been successfully adopted, this action is complete.</p> | Green | Green |
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| Improved services, better outcomes | | | | | |
| # | Objectives | Timescale | Progress | | Rating |
| 8 | Hold a voluntary sector specific supplier engagement day | Complete | This event was undertaken in October 2016. Further engagement with the voluntary sector has been ongoing and the team notes an increase in activity from this sector in Medway tenders. | Green | Green |
| 9 | Embed Supplier Relationship Management (SRM) through good contract management with KPIs | Complete | The team has invested in the Contract Management module within the Council's e-Procurement system (the Kent Business Portal). There has been a slow adoption in utilising this means of contract management but it is improving. | Green | Green |
| 10 | Collaboration across Public sector bodies to ensure buying power is efficiently utilised into attractive contracts that encourage SME participation. | On-going | Since last year's report, the team has been more engaged with the Kent and Central Buying Consortiums. This has enabled a more in depth understanding of local requirements to ensure that, where possible, teams are working together. Medway has also introduced various frameworks enabling this to be fulfilled. SMEs represent 71% of the contracts awarded by Medway Council in the 2017-2018 financial year. | Green | Green |
| 11 | Transparent costs for the goods and services that are bought by the council | On-going | <p>Category Management has assisted with the improvement of this area. There remains several outstanding areas of spend (low value, infrequent purchase items) which we are currently working towards. The proposal is to introduce a corporate catalogue hosted by ESPO (the Eastern Shires Purchasing Organisation - a publically owned organisation who award a series of frameworks and catalogues other public bodies can use) to ensure we can profile all areas of spend. Longer term, the team will analyse spending habits through ESPO and re-procure goods where a sufficient amount of data is present to illustrate savings.</p> <p>A further project is to engage with the finance team to explore whether the value of awarded projects can be aligned to the Cost Code - this will enable spend control. For example, a team may have a budget of £50,000 and the awarded value of a project is £45,000. Currently, the Cost Code would remain representative of the budget and not the awarded value so may result in an overspend.</p> | Green | Green |
| 12 | Appropriate support from suppliers to combat CSE/Domestic abuse | On-going | <p>This was included as part of the Category Management team's last meet the buyer event and more focused support is now sought by adhering to objective 1A (at specific market engagement events).</p> <p>The standard Pre-Qualification Questionnaire (objective 5) used by the team includes a subsection of 'compliance with equality legislation' which bidders need to 'pass' i.e. comply with, to be eligible for contract award.</p> | Green | Green |
| 13 | Appropriate support from suppliers to promote workplace health | On-going | <p>The team is working with public health regarding the promotion of workplace health. A pilot of this scheme, which will be further developed upon within the duration of this strategy, has already been adopted.</p> <p>A draft plan based on the outcome of the pilot has been considered and final amendments are required prior to full implementation.</p> | Green | Green |
| Intelligent spending | | | | | |
| # | Objectives | Timescale | Progress | | Rating |
| 14 | Reduce fragmented spend. Make sure contracts we have in place are used. | Complete | <p>The Council's contract procedure rules are under review - a specific amendment ensures that internal resources and arrangements must be utilised prior to sourcing external solutions.</p> <p>The way in which new suppliers are set up on the finance system has also improved. These are now electronic and the Category Management team can challenge requests prior to any financial commitment being made (through the form of a Purchase Order).</p> | Amber | Green |
| 15 | Increased implementation and use of both Medway and external Frameworks | On-going | <p>Medway has successfully created a series of OJEU (Official Journal of the European Union - an advertising journal mandated on procurements over a financial threshold) compliant and corporately beneficial frameworks. Assuming the frameworks are able to deliver services for other public bodies, they remain 'open' for them to use which in turn yields an income (in the form of a rebate) back to Medway.</p> | Amber | Green |
| 16 | Introduce purchasing cards to speed up payments for SMEs | Apr-17 | The introduction of purchasing cards was previously put on hold. The concept needs to be revisited to see whether the Council is in a better position to adopt the use of purchasing cards in the future. | Red | No longer applicable |
| 16A | Introduce improved payment terms for all contractors | Complete | <p>Previously, the strategic objective was to introduce purchasing cards to speed up payments for SMEs. This proposed revised objective instead complies with the Public Contracts Regulations 2015 (the legislation governing public sector procurements) where Regulation 113 mandates that public bodies must settle undisputed and valid invoices within 30 days. Whilst this 30 days is for the main contractor, Regulation 113 also mandates that the prime contractor includes the same payment clause to their subcontractors.</p> | NA | Green |
| 17 | Automate Invoice Processing to speed up payments for Small and Medium Enterprises | Complete | Finance have introduced electronic invoicing which meets this strategic objective. | Green | Green |
| 18 | Introduce Purchase 2 Pay system / e-catalogues, punch outs to reduce paper costs | Aug-18 | E-catalogues have started implementation but are not live as of yet. Successful implementation will greatly reduce tail spend and ensure consistency in purchasing practices. | Amber | Amber |
| Sustainable Procurement | | | | | |
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| 19 | Implement Frameworks to reduce time to market | On-going | Several frameworks have successfully been delivered and are operating as intended. Additional frameworks are being tendered which should partly relieve a resource pressure. Future frameworks are also being considered with other public bodies, where appropriate, to ensure the availability of goods/services and works are in place when they are required. | Green | Green |
| 20 | 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 developed new and existing working relationships with external bodies. As such, our reputation for procurement best practice is growing and our services are being commissioned more frequently. The main issue at present is the lack of team resources but will be offset by the establishment of additional frameworks. | Red | Green |
| 21 | Introduction of internal self-service for the use of frameworks using the e-procurement system to speed up awards. | Dec-16 | When frameworks go live, other teams are made aware of the changes and trained to ensure compliance with the new ways of working. Many teams already have access to undertake mini-competitions (a procurement activity with a confined number of businesses as establishment by a framework) which speeds up the award process. Note that the Category Management team retain overall sight of the processes being used and make corrections/have an input where appropriate. | Green | Green |
| 22 | Launch of Procurement Consultancy to provide Procurement services to both Public and Private sectors | Apr-17 | Due to team changes, a Local Authority Trading Company (LATCO) is currently on hold. The medium to long term vision of the team needs to be reviewed prior to potentially reinvesting in pursuing this as an option. | Red | No longer applicable |
| 22A | Develop more strategic relationships with local public bodies and explore potential shared services. | Dec-18 | The team is currently reviewing business relationships to identify working synergies. Work has already begun with other public bodies to deliver some of their services - this will be developed upon and expanded where possible. | NA | Amber |