

Community Executive Advisory Board 17 October 2019

Procurement Update

Understanding Commissioning, Procurement and Contract Management

- ▶ Commissioning – identifying the needs of a business area and assessing how those needs can be met. Can services be provided in different ways?
- ▶ Procurement – put simply, buying goods, services or works.
- ▶ Contract Management – ongoing oversight of a contract to ensure the supplier delivers and risks and opportunities are identified and managed.



Procurement at GBC: The story so far

- ▶ GBC spends approximately £50 million per annum.
- ▶ Procurement has come a long way since the first appointment of a Procurement Officer in 2015.
- ▶ Transformation of the service from a devolved model into a centralised team is underway.
- ▶ There now exists a Procurement Strategy, Work Programme with 50+ live projects and a Corporate Procurement Board which fulfils the governance of the service.
- ▶ There is a dedicated Procurement Manager and an experienced Procurement Team (currently resourced by interim staff) in place to be built on in order to deliver a centralised Category Management model and the savings identified to procurement under the Future Guildford programme.

Key Drivers: Savings and Efficiencies, alternative models for delivery.

- ▶ Effective procurement will:
- ▶ Deliver substantial savings and efficiencies.
- ▶ Maximise commercial opportunities for the Council.

Commissioning examines how services can be provided in different ways. This may mean:

- ▶ working collaboratively with neighbouring authorities (or other bodies)
- ▶ alternative / innovative delivery models for goods and services.

Key Drivers: Legal Compliance

- ▶ Compliance must be achieved with the legislation in this area – mainly the Public Contract Regulations 2015 and the Local Government Transparency Code 2015.
- ▶ Effective procurement will mitigate the likelihood of legal challenges due to lack of procurement compliance.

Procurement challenge is avoided through the systematic, equal opportunities treatment of suppliers at every stage of procurement. There are many forms of challenge:

- ▶ Legal Challenge
- ▶ Cabinet Office Mystery Shopping Scheme
- ▶ GBC Corporate Complaints
- ▶ Ombudsman

There can be severe consequences to reputation and timelines a formal challenge is received.

Social Value and SMEs

- ▶ Procurement can ensure there is a commercial focus on Social Value and SMEs, helping local suppliers to be more competitive.
- ▶ The Public Services (Social Value) Act 2012 requires Social Value to be considered when procuring goods and services for the Council.
- ▶ Focus in Local Government is on building skills and employment opportunities in the local area – i.e. x number of apprenticeships per £m contract value. A strong Procurement function within GBC can help to ensure that this focus is central to procurement activity across the organisation.



