



Chelmsford City Council Audit and Risk Committee

22nd January 2025

Annual Procurement Report

Report by:

Accountancy Service Manager (s151)

Officer Contact:

Emma Till, Procurement Officer, Email: emma.till@chelmsford.gov.uk Tel: (01245) 606774

Purpose

The report identifies recent procurement activity, planned workloads and provides an update on changes to Team structure and the legal procurement framework.

Recommendations

1. Audit and Risk Committee note the report and contents.
-

1. Introduction

- 1.1. Effective and efficient procurement activities support the Council's purchase of Goods, Services and Works in a regulated environment. The Council let contracts totalling £9,100,000 for procured goods and services between 1st November 2023 and 31 October 2024.

1.2. This report identifies the following:

- Overview of Procurement activities, savings and achievements undertaken by the procurement team since last reported to the committee
- Update on the Procurement Team Structure
- Overview of key changes pertaining from the implementation of the Procurement Act 2023 set to be introduced on 24th February 2025.
- Summary of planned activities November 2024 onwards

2. 2023/2024 Procurement Achievements

2.1. Between the period of 1st November 2023 and 31st October 2024 the procurement team undertook 32 procurement processes, 12 contracts were awarded to Essex based suppliers and 17 were awarded to SMEs.

2.2. Examples of achievements by Procurement working with services at Chelmsford

- The team has led on the renewal of the Housing Choice Based Letting system on behalf of the whole HEHOC housing group covering several local authorities.
- Through a procurement process the Council has implemented a no cost supplier funded EV charging contract for use across Council car parks. The contract is set to bring income to the Council through a revenue sharing agreement set a 5% of gross charge point revenue income.
- Advise and support on the award of a contract for a Modular Leasing requirement under the Prisoner Build Home Scheme. Providing 20 units of Temporary accommodation, which should save the Council £260k per annum if implemented.
- A tender process for the provision of Temporary Accommodation. Block booking a number of private rent houses will create an ongoing saving of £70,000 annually with a move away from nightly booking of private sector accommodation.
- Across the Council there is now in place a compliant contract with Amazon Business to allow miscellaneous purchases through the online platform. Since July 2024 this has achieved saving on delivery and use of business prices of approximately £3500. The Council can also now make use of free Next Day Delivery.
- The Council received a £4,000 rebate for the compliant use of Crown Commercial Services Frameworks.

2.3. Social value was used within the evaluation process of 4 Works tender processes with weightings of 10%. This enabled the Council to award additional points within the tender process to those contractors with more

social value initiatives in place. Two of the awarded bidders achieved the highest social value scores in the process. This provides consistency across the same period across 22/23 in which 3 works procurement processes involved social value. The Council currently targets large Works contracts for the provision of social value tender initiatives with the use of a set of standard weighted criteria. In the 25/26 period. The Council aims to broaden the use of social value in procurement processes by creating a set of criteria which align more closely with high value Service based contracts. This would enable to Council to improve the number of contracts awarded involving Social Value.

3. Procurement Team

- 3.1. As the result of a recent restructure, following the resignation of the Risk and Procurement manager (for career progression) the Procurement team now consists of two staff members managed by the Accountancy Services Manager. The team structure is currently being reviewed to ensure we can retain the staff and continue to offer an effective service
- 3.2. Both members of the procurement team continue to work towards their CIPS qualifications with both Procurement Manager (recently completed CIPS advanced diploma at level 5) and Procurement Officer (studying CIPS diploma level 4).

4. Legislation – Procurement Act 2023

- 4.1. After recent delays, The Procurement Act 2023 is now due to come into force on the 24th of February 2024, which will make the new Act the law that regulates public procurement in England, Wales and Northern Ireland. The Act will replace the current Public Contracts Regulations 2015, the Concessions Contracts Regulations 2016 and the Utilities Contracts Regulations 2016. The main objectives of the act include:
 - Increased flexibility in the procurement process
 - Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised
 - To open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- 4.2. The current Procurement Goods, Services and Works thresholds are not set to change under the new act. They will remain at: Goods & Services (£214,904), Works (£5,372,609) and Light-Touch (£663,540) inclusive of VAT. All Council purchases above these thresholds will be required to follow the new regulations. Any below the threshold follow the Council's own internal contract rules, set out in the constitution.

4.3. The new rules will have a significant impact on the procurement team's workload and will also place an extra burden on services. It is worth highlighting some of changes:

- A new national consolidated single central digital platform to be put in place by central government for placing notices.
- Increase in the number of required notices throughout the life of a commercial contract. For example, contract termination notices will be required for all above-threshold procedures even if they come to a natural end. Additional payment reporting regulations will come into force. This will require any contracts with a value exceeding the thresholds listed in 4.2 to report on individual contract payments exceeding £30,000.
- Supplier debarment list: The Act introduces the concept of a supplier debarment list requiring contracting authorities to exclude suppliers mentioned on the list. The list will need to be checked before the commencement of every procurement.
- Changes to the format of feedback required upon tender evaluation. Unsuccessful bidders will now also be provided the scoring and feedback of the winning bidder for comparison purposes.

4.4. All members of the procurement team have completed and passed their 'Transforming Public Procurement (TPP)' training course run by the Government Commercial Function and are qualified as Skilled Practitioners for the Procurement Act 2023. All members of the team have additionally undertaken a further Deep-Dive course on the legislation to understand how the new regulations should be put into practise.

5. Planned activities November 2024 onwards

5.1. The Procurement and Legal team are and need to continuously review new guidance and updates on the Procurement Act 2023 as they are released.

5.2. Current procurement template documentation, training guidance, council contract procedure rules and legal documentation will be updated to reflect changes required by the new regulations.

5.3. Online Sessions/Training and drop-in sessions surrounding the new act will be offered up by the procurement team early next year to any Council staff involved in procurement processes.

5.4. A review and renewal of the current Procurement Strategy 2020-2025 as found on the Councils website will take place.

5.5. Several procurements of note:

- Chelmsford City Council are leading on a joint Procurement process involving both Maldon District Council, Epping District Council to implement a CCTV maintenance, and installation contracts.

- Full tender process for the refurbishment of Office block located down Springfield Lyons Approach, Chelmsford

5.6. A post implementation review of the Council's compliance with the new procurement processes and reporting will be undertaken by the procurement team approximately 6 months after the new regulations commence.

5.7. Review and Renewal of several of the Council's other high value contracts coming to an end including contracts covering:

- Electoral Print Services
- HVO Fuel
- Agency Staff- Loaders, Drivers, Park Operatives
- Banking Services
- Merchant Acquiring Services (processing of customer card payment)

6. Shared Service Provision

6.1. The Procurement Team continue to provide strategic advice and full procurement activities for Uttlesford District Council. The City Council is paid a fee for this work. The main achievements implemented by the Procurement Team for Uttlesford include:

- Joint procurement activities involving requirements from both Uttlesford and Chelmsford, including current work on joint procurement of security services for both Local Authorities.
- 33 processes including full tenders led by the Procurement team between 1st November 2023 and 31st October 2024

List of appendices:

None

Background papers:

Social Value Procurement Policy

Procurement Strategy 2020 - 2025

Corporate Implications

Legal/Constitutional:

New procurement rules must be complied with.

Financial:

As detailed

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

Procurement of supplies and equipment necessary to achieve plan.

Personnel:

None

Risk Management:

None

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

Management Team

Relevant Policies and Strategies:

Procurement Strategy

Social Value Procurement Policy 2020 - 2025