

AGENDA ITEM 4

WELSH PURCHASING CONSORTIUM

MANAGEMENT BOARD

30th April, 2014

PROCUREMENT MANAGER'S PROGRESS REPORT

1 INTRODUCTION

- 1.1 This Progress Report to the WPC Management Board by the WPC Procurement Manager is intended to inform Members of progress in terms of the key deliverables required to support the Forward Work Programme of the WPC, which is coordinated by the Central Management Team (CMT).

2 FORWARD CONTRACT PLAN

- 2.1 An updated Forward Contract Plan is detailed at Appendix A. Board Members will note that there are now 11 procurement projects that are underway, in scoping or scheduled to be in place over the next eighteen months. This is the position as agreed at the last WPC Officers Group meeting. The current Work Allocation Table is provided At Appendix B.
- 2.2 In order to provide more visibility across the WPC portfolio it is Officers intention to change the format of the report to future Board meetings to include detail on the status of all WPC Arrangements i.e. those in place as well as those subject to an imminent procurement.
- 2.3 Category Groups continue to consider all potential opportunities to bring Procurement influence to bear on our third party spend in areas identified as part of our Review in 2013.
- 2.4 This is critical in terms of ensuring a viable Strategic Forward Work Plan for the WPC to 31st March 2016 and beyond. Further Reports on progress will be brought to forthcoming Board Meetings.

3 NATIONAL PROCUREMENT SERVICE (NPS)

- 3.1 The Board is aware that WPC Category Groups have been reviewing their portfolios with a view to identifying those WPC Arrangements that are likely to transfer to the National Procurement Service (NPS) as they represent areas of spend that are evidently "common and Repetitive" in nature, i.e. used by all sectors.
- 3.2 Progress has been made since the last Board meeting and NPS Heads of Category have been invited to attend a number of WPC Category Group meetings. The Procurement Manger has updated the WPC Officers Group regularly and we now have a definitive list of current WPC Arrangements that will transfer in the short to medium term which we see as up to 3 years. These are detailed in Appendix C and are split by WPC Category Group.

- 3.3 The meeting arranged for the 6th May will include Chairs of WPC Category Groups, the Chair of the WPC Officers Group and the WPC Procurement Manager and it is essential we agree a formal protocol for transfer of responsibility with senior Officers from the NPS which must include a definite timetable on a contract by contract basis.
- 3.4 In terms of governance of the NPS, it is interesting to note that a National Procurement Service Delivery Group has been established to monitor and approve all procurement activity undertaken by the NPS, providing the forum to approve All Wales category strategies, procurement decisions and contract awards.
- 3.5 Specifically the Delivery Group will be responsible for:-
- Monitoring progress on the adoption of the agreed procurement delivery vehicles
 - Ensuring that the associated savings targets are being fully realised, reported accordingly and in a timely manner
 - Robustly reviewing, challenging, and monitoring the governance associated with any Sector choosing an opt out of NPS Category, Agreement or Contract
- 3.6 It is also pleasing to note that in order to reflect the stakeholder landscape, representation will be drawn from the wider public sector community as well as the NPS itself which includes a number of local government Heads of Procurement.

4 FAIRTRADE

- 4.1 Following the presentation by Elen Jones of Fair Trade Wales at the last meeting and the board's recommendation the following has been drafted for the Board's consideration :-

The WPC supports the Welsh Government's position regarding Fair Trade contained in the Welsh Government's Sustainable Food Policy "Food for Wales, Food from Wales 2010-2020"

"The Fair Trade initiative and ethical trading schemes more generally represents a significant tool for promoting more sustainable production and marketing initiatives, particularly in the developing world, but also closer to home. They provide both an economic dividend to producers and educational dividend to consumers and, as such, they should play an important role in promoting a more sustainable system"

The WPC, whenever possible, requires contractors to ensure that Fair Trade refreshments are provided at all WPC meetings.

In terms of relevant formal WPC procurement exercises, Tenderers will be required to offer the maximum number of Fair Trade lines available as part of the bid.

Details of individual Authorities Fair Trade status and any individual Authority requirements will also be specified in Tender documentation.

Where alternative products are offered Tenderers will be required to provide written evidence (certification) as to how these requirements have been met

5 WPC STANDARD TERMS AND CONDITIONS OF CONTRACT

- 5.1 Following a discussion regarding Terms & Conditions of Contract at their last meeting the WPC Officers Group, agreed that it would be appropriate for the WPC standard sets of Terms & Conditions relating to Goods, Services, IT and additionally Consultancy, be referred to Morgan Cole, through the RCT Arrangement for revision, to ensure they meet all member Authorities needs and are fit for purpose in terms of any recent changes in legislation.
- 5.2 The Officers Group will also be reviewing the suite of standard documentation which has been in use for the last 4 years, again, with a view to ensuring it is fit for purpose.

6 WPC EFFICIENCY CALCULATION FOR 2013/14

- 6.1 The WPC Central Management Team will shortly need to commence work in calculating the efficiency figures for member Authorities for the last financial year and the intention will be to report the results to the September Board Meeting.
- 6.2 We are advised that the NPS is in the process of finalising an efficiency recording methodology together with a practical "How To" Guide. The WPC Officers Group will formally consider the NPS model to ensure that is "fit for purpose" before bringing any recommendations to the Board.
- 6.3 This is a challenging exercise which is of fundamental importance to the WPC member Authorities and if clarity is not received on the NPS methodology our intention is to continue to use our own system for the 2013/14 calculation.

7 WPC ALITO CONTRACT MANAGEMENT SYSTEM/COMPLAINTS SYSTEM

- 7.1 A small Group of operational Procurement Officers from member Authorities and Officers within the CMT have been working with our current provider (Proactis) under our existing Agreement to ensure that their new platform can fully accommodate our requirements in terms of migration of the Contract management System and the newly developed Food Complaints System.
- 7.2 Progress has not been as quick as anticipated however the Officers Group received a very positive presentation at their last meeting. There is a small piece of work outstanding but it was felt that subject to confirmation that this has been completed, we should proceed to purchase.

8 WPC THRESHOLDS

- 8.1 The Board will recall that in considering whether any potential WPC procurement proceeds we have adopted the general principle that the projected total annual expenditure should be at least £200k and that 8 member Authorities have agreed to participate. Given that the membership has increased to 19 Authorities the Officers Group has considered the appropriateness of these thresholds and has recommended that the threshold should increase to £400k but that the number of participating Authorities remains at 8.
- 8.2 The Officers Group acknowledges that these thresholds can be varied on a project by project basis when justified.

The Board is asked to consider this recommendation

9 WPC MEMBERSHIP FEES

- 9.1 The Host Authority, Cardiff Council, has been asked to issue Invoices to Full and Associate member Organisations for the year 2014/15 only, at the reduced fee as agreed.
- 9.2 Member Authorities are asked to ensure that their base budget is not altered in terms of further years contributions.

Rob Jones
WPC Procurement Manager

WPC Forward Contract Programme – Management Board 30th April 2014

| Contract / Category Group | Lead Authority | Comments | Pre-Procurement Progress (RAG) | Procurement Process Status | Anticipated Contract Start Date | Procurement Progress (RAG) |
|--|----------------|---|--------------------------------|--|---------------------------------|----------------------------|
| Building Materials, Environmental Services & Highways | | Pre OJEU | | Tender Stage | | |
| Road Markings | Blaenau Gwent | B/C under review prior to general circulation / submission. Current service spec to be reviewed RCT to provide input. Project team to be developed. | Red | Technical Officers reviewing Contract Docs & spec. Supplier events to be held during March prior to OJEU publication. | 01/08/2014 | Green |
| Asphalt Macadam Drystone Aggregate and Ready Mix Concrete | Cardiff | BC complete but LA reviewing option to include lot for Ready Mix Concrete. | Green | Current f/w terms extended to 30/6. Project group volunteers requested. Meeting scheduled for 11/3 to review ITT, final draft to be issued 28/3 OJEU to be published 31/3 ITT to be returned 22/5, evaluation completed by 4/6. Standstill 9–19/6. F/W award 20/6. | 01/07/2014 | Green |
| Hire of Plant and Equipment | NPS? (TBC) | Reallocation to NPS to be confirmed. | Green | | | |
| Traffic Management & Highways Maintenance Products | Merthyr Tydfil | Scoping Ongoing | Green | | | |
| Grounds Maintenance Equipment, Spares and Turf care Products | JPU (Newport) | Scoping Completed Business Case to be developed | Green | | | |
| Construction Services | | | | | | |
| Renewable Energy (Photovoltaics) | Torfaen | Project group decision to tender PV element prior to expanding into wider Renewable areas. Next meeting scheduled for September. | Green | Draft Technical Specification developed, LA to distribute tender documentation. Scoring mechanism and model scenarios developed. APSE consultant commissioned to review tender documentation | 01/06/2014 | Green |

Appendix A**WPC Forward Contract Programme – Management Board 30th April 2014**

| | | | | | | |
|--|---------------|---|-------|--|------------|-------|
| Asbestos Removal Services | Swansea | Six month extension of current f/w reported to July OP. | Amber | Existing f/w extended for a further 6 month period. Revised start date for new f/w. Project Group meeting held 27/2, tender documentation has been distributed, comments to be returned to Lead Officer by 17/3. | 01/09/2014 | Green |
| Electrical Cyclical Maintenance | RCT | Scoping Completed Business Case to be developed | Green | | | |
| Corporate Needs & Professional Services | | | | | | |
| Education & Curriculum Aids | NPT | Scoping Completed Business Case to be developed | Green | | | |
| Retail Trade Agreement | Bridgend | Lead Authority continuing dialogue with Argos around discount structure. Also liaising with Curry's and Mothercare. Discount structure confirmed by Argos LA to circulate details | Amber | Further discussions to be held with Argos re discount rate. | TBC | Amber |
| Public Protection Software | Pembrokeshire | Three N/W Authorities invited to participate, 14 positive responses from WPC members. Project Group to meet end of November. | Green | Tender process progressing | 01/10/2014 | Green |
| Provision of Security | NPS? (TBC) | Initial project group meeting held 6/3. BC drafted, to be circulated mid March. | Green | Reallocation to NPS to be confirmed. | TBC | Red |
| Fleet Group | | | | | | |
| Vehicle Spares | Swansea | PIN Notice and supplier questionnaire published 1/4 | Green | | | |
| Food Group | | | | | | |
| Social Care | | | | | | |

WPC Work Allocation Table

| Authority | New Contracts (FCP) | Category Group |
|------------------------|--|-----------------------|
| Blaenau Gwent | Road Markings | BM,ES & H |
| | General Building Products | BM,ES & H |
| | Miscellaneous Building Materials | BM,ES & H |
| | Timber Sheet Material & Doors | BM,ES & H |
| Bridgend | Vending Machines and Stock | FG |
| | Retail Trade Agreement | CN & PS |
| | Protective Clothing & PPE | CN & PS |
| | SWW Legal Technical Services | CN & PS |
| | Tools & Equipment | BM,ES & H |
| | Water Coolers | FG |
| Caerphilly | Fresh Meat | FG |
| | Groceries Provisions & Frozen Foods | FG |
| | Occupational Health | CN & PS |
| | Office Furniture | CN & PS |
| Cardiff | Asphalt Macadam Drystone Aggregates & Ready Mix Concrete | BM,ES & H |
| | Prepared Sandwiches & Sandwich Fillings | FG |
| | Agency Staff | CN & PS |
| | Plumbing & Rainwater Goods | BM,ES & H |
| | Oil Based Fuels | FS |
| Carmarthenshire | Rock Salt | BM,ES & H |
| | Supply of Wood Pellets | BM,ES & H |
| Ceredigion | Re-locatable and Modular Accommodation | CON |
| | Bread Loaves, Rolls & Cakes | FG |
| | Catering Consumables | FG |
| Denbighshire | Street Lighting | BM,ES & H |
| | Cars and Light Commercial Vehicles | FS |
| Flintshire | | |
| Merthyr | Highways Maintenance & Traffic Management Products | BM,ES & H |
| | Street Lighting Products | BM,ES & H |
| | Mechanical Sweeper Brushes | FS |
| | Heavy Canteen Equipment | FG |
| Monmouthshire | Frozen Plated Meals | FG |
| | Soft Drinks & Confectionery | FG |

Appendix BWPC Work Allocation Table

| | | |
|----------------------|---|-----------|
| | Refuse Sacks | BM,ES & H |
| | | |
| NPT | Educational Materials | CN & PS |
| | Library Books, Text Books, Publications & Associated Services | CN & PS |
| | Supply of E-books | CN & PS |
| | Supply of Audio Visual Goods for Library Services | CN & PS |
| | Tyres Tubes etc. | FS |
| | | |
| Newport | Specialist Vehicles | FS |
| | Grounds Maintenance Equipment and Spares | BM,ES & H |
| | Fresh Prepared & Unprepared Fruit, Veg. & Salad | FG |
| | Classified Advertising Direct to Press | CN & PS |
| | | |
| Pembrokeshire | Library Furniture - Supply & Installation | CN & PS |
| | Schools Folding Catering Furniture | CN & PS |
| | Public Analyst Services | CN & PS |
| | Public Protection Software | CN & PS |
| | Glass Polycarbonate & Double Glazed Units | BM,ES & H |
| | Leased Cars | FS |
| | | |
| Powys | Cash Collection Services | CN & PS |
| | Supply & Maintenance of Portable Fire Equipment | CN & PS |
| | | |
| RCT | Children's Placement Services | SC |
| | Electrical Works Servicing | CON |
| | Heating Ventilation & Mechanical Services | CON |
| | | |
| Swansea | Asbestos Services | CON |
| | Vehicle Spares | FS |
| | IT Penetration Testing | CN & PS |
| | Banking Services | CN & PS |
| | | |
| Torfaen | Fresh Pasteurised Milk & Dairy | FG |
| | Alcoholic Beverages | FG |
| | Textile Collection Services | BM,ES & H |
| | Renewable Energy (Photovoltaics) | CON |
| | | |
| VoG | Summer Bedding Plants | BM,ES & H |
| | Maintenance of Traffic Control Systems | BM,ES & H |
| | | |
| Wrexham | Property Related Consultancy Services | CON |

Appendix C WPC Arrangements to be Transferred to the NPS - Short/Medium Term

| Building Materials | Contract End Date | Agreed Action |
|---|---|---------------|
| General Building Products | 31/03/2014 (31/03/2015) | |
| Miscellaneous Building Products | 31/08/2014 (+2) - 31/08/2016 | |
| Timber Sheet Material & Doors | 30/11/2013 (+2) - 30/11/2015 | |
| Plumbing & Rainwater Goods | 31/10/2013 (+2) - 31/10/2015 | |
| Tools & Equipment | 30/04/2015 (+1) - 30/04/2016 | |
| Supply of Wood Pellets | 31/08/2013 (+2) - 31/08/2015 | |
| Operated and Non Operated Plant | | |
| Corporate Needs & Professional Services | Contract End Date | Agreed Action |
| Managed Service for Provision of Agency Workers | 17/01/2015 (+1) - 17/01/2016 | |
| Office Furniture | 30/06/2013 (+1) - 30/06/2014 (30/06/15) | |
| Protective Clothing & PPE | 31/07/2015 (+1) - 31/07/2016 | |
| Classified Advertising Direct to Press | 02/09/2015 (+1) - 02/09/2016 | |
| Supply and Maintenance of Fire Equipment | 14/10/2015 (+2) - 14/10/2017 | |
| SWW Legal Services - Technical Legal Services | 30/06/2014 | |
| Banking Services Lot 1 | 09/05/2013 (+2) - 09/05/2015 | |

| | | |
|--------------------------------------|------------------------------|--|
| Banking Merchant Card Services Lot 2 | 30/06/2013 (+2) - 30/06/2015 | |
| Cash Collection | 30/06/2013 (+2) - 30/06/2015 | |
| Provision of Security Services | | |

| Fleet | Contract End Date | Agreed Action |
|------------------------------------|------------------------------|---------------|
| Spot Hire of Cars & LCV's | 01/05/2014 (+2) - 01/05/2016 | |
| Tyres Tubes etc. | 01/03/2015 (+1) - 01/03/2016 | |
| Supply of Fuel Oils and Fuel Cards | 01/04/2013 (+2) - 01/04/2015 | |
| Leased Cars | 31/03/2013 (+1) - | |

| Food | Contract End Date | Agreed Action |
|---|-------------------|---------------|
| Water Coolers | 01/04/2017 | |
| Catering Consumables | | |
| Supply, Installation, Removal & Disposal of Heavy Canteen Equipment | 14/02/2015 (+2) | |

| Construction | Contract End Date | Agreed Action |
|---|-----------------------------|---------------|
| Heating Ventilation & Mechanical Services | 31/03/2015(+1) - 31/03/2016 | |