

**AGENDA ITEM 5**

**WELSH PURCHASING CONSORTIUM**

**MANAGEMENT BOARD**

**4<sup>th</sup> February 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 9 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

**3 New WPC members**

- 3.1 Significant progress has been made regarding the expansion of the WPC and we now have nineteen full member Authorities. Denbighshire and Flintshire formally joined on 1<sup>st</sup> November, 2013 and Wrexham formally joined on 1<sup>st</sup> January, 2014.
- 3.2 The annual membership fee charged to new members will be £13,500, this will be levied on a pro rata basis to 31<sup>st</sup> March 2014. Arrangements will need to be put in place to "ring fence" the existing Reserve at 31<sup>st</sup> October, 2013 to the existing 16 member Authorities at that time.
- 3.3 To date Officers of the WPC have received no response from the remaining three non member Authorities in North Wales to the original formal invitation made by the Secretary to the WPC.

**4 Blacklisting**

- 4.1 At the last Board meeting members accepted the WPC Officers Group recommendation to commission additional practical interpretation and risk based guidance and options in terms of how we might include some meaningful requirements in our approach to contracting.
- 4.2. The Guidance included some suggested questions that the Board could adopt and the relevant detail is as follows:-

1.1. As the Policy Advice Note points out, three key points need to be borne in mind:

1.1.1. Exclusion must be proportionate and considered on a case-by-case basis – a blanket ban would not be lawful;

1.1.2. Exclusion must be justified on the evidence – for example, an admission of wrongdoing by the operator or a decision of a tribunal, court or other public body exercising similar functions; and;

1.1.3. Exclusion is not a means of punishing economic operators for past wrong doing, but rather a means of putting right past wrongdoing and ensuring that it does not re-occur.

1.2. Therefore, the emphasis needs to be on ascertaining whether an economic operator has been involved in blacklisting, and then seeking sufficient assurance that they are taking steps to put right past wrongdoing and to make sure that it will not recur (“self-cleaning”). This is very similar to the approach taken under the Supplier Qualification Information Database (“SQulD”) form of pre-qualification questionnaire, in relation to matters such as being cited in the 2009 OFT report into bid-rigging, and also health and safety and environmental convictions.

1.3. Authorities may address this point by including similar questions in their PQQs for construction projects. Regulation 23(4) obviously only applies to projects where the value is equal to or greater than the relevant threshold (currently £4,348,350). However, in relation to below threshold projects, authorities may include whatever qualification requirements they wish so long as these meet the core requirements of transparency, non-discrimination, equal treatment and proportionality. Therefore there is no reason in principle why this approach could not also be applied to below-threshold projects.

1.4. Suggested questions and accompanying explanatory notes are as follows:

- 1 Has the bidding organisation made any admission or had any finding, report, judgment, fine, order, declaration or recommendation made against it by a Court, tribunal or other public authority in respect of any blacklisting-related offence committed by it pursuant to the Employment Relations Act 1999 (Blacklist) Regulations 2010, the Data Protection Act 1998, the Trade Union and Labour Regulations (Consolidation) Act 1992, the Employment Relations Act 1999 and/or the Employment Rights Act 1996 ?
- 2 If the answer to question 1 above is in the affirmative, the bidding organisation is requested to provide full and complete disclosure in respect of the following questions:

*a) Please provide details of the relevant facts and circumstances of the judgment, fine, order, declaration or recommendation made, including when the wrongdoing took place, whether there been any subsequent wrongdoing and the full details of the judgment, fine, order, declaration or recommendation made.*

*b) Please provide details of the steps that have been taken by the bidding organisation to repair the damage caused by the wrongdoing (e.g. arrangements to identify and compensate victims).*

*c) Please provide details of the measures that have been taken by the bidding organisation to remedy the wrongdoing, including details of the steps that have been put in place to prevent re-occurrence of the wrongdoing.*

*The following explanatory note should also be added in the “notes to bidders” column, or other appropriate place in the PQQ depending on where advice to bidders is given regarding the consequences of their answers:*

*“In the event that bidding organisation provides disclosure and/or responses to the Blacklisting Questions that are deemed by the contracting authority to be incomplete and/or insufficient or which do not give adequate assurance that measures have been taken to remedy the wrongdoing and prevent its recurrence, the contracting authority reserves the right to:*

*(a) carry out further investigation or require the bidding organisation to provide further information; and/or*

*(b) exclude the economic operator from any further participation in the tender process.”*

4.3 Following receipt of this Guidance the Officers Group instructed the WPC Procurement Manger to ask Value Wales whether they would be prepared to include these questions within the SQulD as standard questions.

4.4 The response from Value Wales is as follows:-

*“having completed a review of the SQulD, the guidance has been supplemented to assist procurers in addressing blacklisting at the supplier selection stage. This amendment, coupled with the publication of the Procurement Advice Note on blacklisting meant that we felt it not necessary to include questions on the subject within the common question catalogue. We have always had the objective of seeking to maintain as small a set of common questions as is practicable and adding a specific question on blacklisting, which would most likely stop being used over time, is contrary to this aim”.*

**4.5 The Board is asked to consider adoption.**

## **5 Sustainable Procurement Statement**

- 5.1 The WPC Sustainable Procurement Statement has been amended as agreed by the Board and is posted on the WPC website.

## **6 National Procurement Service**

- 6.1 Sue Moffatt, NPS Director, attended the December WPC Officers Group meeting and gave a presentation on the governance, structure, recruitment, operating principles and proposed timetable for establishing compliant procurement arrangements for common and repetitive spend areas.
- 6.2 Colleagues did stress the urgent requirement for the NPS to establish arrangements for a number of WPC Arrangements that will terminate shortly and which we have agreed will transfer. Full details were provided to NPS staff in early 2013. The Group was advised that every effort would be made by the NPS to progress this urgent requirement.
- 6.3 In terms of governance of the NPS, the Director advised that “the Chair of the NPS Board will be a public appointment, with senior sector representation making up the remaining membership”, however at the time of writing this membership has not been announced.
- 6.4 The procurement of Food was discussed and the Board will be aware that we advised the NPS that as they are adopting a category management approach to procurement, the WPC membership has agreed that in view of the complexities and risks around food procurement and contract management and the expertise that exists within local government (Procurement and Food Safety) they either take the whole category or leave this category with local government.
- 6.5 This issue is currently the subject of a Review to be undertaken within the NPS which will include full consultation with the WPC Food Group.
- 6.6 The Board will be updated on progress and advised of the outcome.
- 6.7 Discussions have also taken place with the NPS on the purchase of Energy as this is an area of common and repetitive spend. Members will be aware that most of the WPC Authorities purchase Gas and Electricity from the National Government Procurement Service (GPS) Framework and this arrangement is managed by RCT Procurement.
- 6.8 We are advised that a report is being prepared by Officers of the NPS on the future of Energy purchasing which will go to the NPS Board in due course. The WPC Board will be updated.
- 6.9 The NPS has developed a comprehensive draft Procurement Savings Methodology which they intend using to measure and report the delivery of its key benefits which was briefly discussed at the last WPC Officers Group meeting.
- 6.10 The Group agreed that the Chair and Procurement Manager meet with the Category Lead within the NPS to better understand the practicalities of the proposed system and report back to the WPC Officers Group.

## **7 Alito Contract Management System**

- 7.1 The WPC Food Group has developed and adopted a Food Complaints Procedure and has been exploring the potential of running this on our existing electronic Alito Contract Management System.
- 7.2 During discussions with Proactis, our supplier, it has become apparent that there is an opportunity to acquire this Complaints Procedure and migrate our whole WPC contract management system to the new Proactis platform under the terms of our existing Agreement at an extremely competitive rate. The supplier has indicated previously that they will not upgrade the current Alito offering so the argument for migration is compelling. Colleagues within member Authorities have been working with Proactis to ensure that the new platform fully accommodates our requirements.
- 7.3 The Officers Group will receive a demonstration at their next meeting and a provision of £30k has been made in the budget should a decision be made to proceed.

## **8 Social Care Commissioning**

- 8.1 The Board will recall the discussion at the last meeting. The Social Care Commissioning and Procurement Workshop was held on 12<sup>th</sup> November.
- 8.2 Outcomes were as follows :-
- Develop a working protocol to clarify commissioning and procurement roles and support positive and effective working relationships
  - Develop a work plan, linked to care needs projection and market management, to support the delivery of regional and national social care commissioning priorities, specifically market facilitation and market sector analysis
  - Commissioning capacity and capability review
  - Franchise' emerging good practice - case studies tend to present a focus on right-sizing, costs and process
  - Develop an overview of social care procurement activity across Wales
  - Promote effective partnerships and relationships between commissioners and procurement
  - Promote knowledge and skills sharing across the country
- 8.3 The primary issue for the WPC is that attendees favoured a regional approach to commissioning. Liz Lucas (Chair of the WPC Social Care Category Group and the WPC Procurement Manager) will be attending a meeting arranged by the WLGA on 28<sup>th</sup> January to discuss the next steps. Outcomes will be reported to the WPC Officers Group for consideration.

## **9 WPC Central Management Team**

- 9.1 The Board is advised that the CMT has relocated to:-

**Unit 1  
Scarlets Court  
Heol Aur  
Dafen  
Llanelli  
SA14 1QN**

- 9.2 Following a formal recruitment exercise which was ring fenced to member Authorities, Tony Williams of Bridgend Council Corporate Procurement Unit joined the CMT on 20<sup>th</sup> January as Procurement Support Officer.

**Rob Jones  
WPC Procurement Manager**

## Appendix A

WPC Forward Contract Programme – Management Board 4<sup>th</sup> February 2014

Contract / Category Group	Lead Authority	Comments	Pre-Procurement Progress (RAG)	Procurement Process Status	Anticipated Contract Start Date	Procurement Progress (RAG)
<b>Building Materials, Environmental Services &amp; Highways</b>		<b>Pre OJEU</b>		<b>Tender Stage</b>		
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	Draft Selection Questionnaire (SQuID) and Item Schedule circulated for comment 16/12. NW & SW Supplier events to be held 4&5/2 (Provisional)	01/06/2014	Green
Asphalt Macadam Drystone Aggregate and Ready Mix Concrete	Cardiff	BC complete but LA reviewing option to include lot for Ready Mix Concrete.	Green	Tender process progressing.	01/05/2014	
Hire of Plant and Equipment	Merthyr Tydfil	MT relinquishing lead due to lack of resource. Potential transfer to NPS.	Green			
<b>Construction Services</b>						
Renewable Energy (Photovoltaics)	Torfaen	Project group decision to tender PV element prior to expanding into wider Renewable areas. Next meeting scheduled for September.	Green	Project group meeting scheduled for 14/1 at Pontypool Police Station. Start date to be revised.	TBC	Red
Asbestos Removal Services	Swansea	Six month extension of current f/w reported to July OP.	Amber	Project Team meeting held 16/10, lotting information request issued by LA to be returned by 4/11	01/04/2014	Green
<b>Corporate Needs &amp; Professional Services</b>						
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	Argos Presentation delivered to CN&PS Category Group 5/11. Details of participation to be circulated.		
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	Swansea	Initial project group meeting held 6/3. BC drafted, to be circulated mid March.	Green	Tender process progressing, PQQ development commenced.	01/06/2014	Green

**Appendix A**

WPC Forward Contract Programme – Management Board 4<sup>th</sup> February 2014

Fleet Group						
Vehicle Spares	Swansea	Position statement circulated 3/12 for completion and return by 6/1. Supplier event to be held during February 2014. Project Team to develop spec by March 2014.				
Food Group						
Social Care						



Appendix BWPC Work Allocation Table

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

Appendix BWPC Work Allocation Table

	Supply of E-books	CN & PS
	Supply of Audio Visual Goods for Library Services	CN & PS
	Kitchen Furniture	CN & PS
	Tyres Tubes etc.	FS
<b>Newport</b>	Classified Advertising Direct to Press	CN & PS
	Grounds Maintenance Equipment and Spares	BM,ES & H
	Fresh Prepared & Unprepared Fruit, Veg. & Salad	FG
	Specialist Vehicles	FS
<b>Pembrokeshire</b>	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
<b>Powys</b>	Cash Collection Services	CN & PS
	Supply & Maintenance of Portable Fire Equipment	CN & PS
<b>RCT</b>	Electrical Works Servicing	CON
	Heating Ventilation & Mechanical Services	CON
	Children's Placement Services	SC
<b>Swansea</b>	Asbestos Services	CON
	Banking Services	CN & PS
	IT Penetration Testing	CN & PS
<b>Torfaen</b>	Fresh Pasteurised Milk & Dairy	FG
	Alcoholic Beverages	FG
	Textile Collection Services	BM,ES & H
	Renewable Energy (Photovoltaics)	CON
<b>VoG</b>	Summer Bedding Plants	BM,ES & H
	Maintenance of Traffic Control Systems	BM,ES & H