



**ANNUAL REPORT  
ON  
PROCUREMENT  
2008-9**



## ANNUAL REPORT ON PROCUREMENT 2008-9

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## 1 EXECUTIVE SUMMARY

- 1.1 The last financial year proved to be particularly challenging from a procurement perspective. Whilst the emphasis on delivery of efficiencies and cashable savings remained, during the course of the year the focus shifted significantly towards support and advice to departments. The volume of work associated with this shift increased substantially and additional resources have been put into both the Corporate Procurement Team and the Environment, Culture and Communities department, on a short term basis, to deal with this peak in workload.
- 1.2 During the course of the year collaborative procurement initiatives continued to gain momentum. The work of the Berkshire Procurement and Shared Services Unit was re-aligned to ensure their focus was clearly on the delivery of cashable savings for all six Berkshire authorities. In addition, cross Berkshire working continued to improve with a work programme agreed by the Thames Valley Procurement Forum, which is designed to eliminate duplication of procurement effort wherever possible.
- 1.3 In view of these recent developments and coupled with the uncertainty around the future funding of the Berkshire Procurement and Shared Services Unit (BPSSU) a project has been added to the Council's Service Efficiency Strategy with the objective of establishing the role and purpose of the Council's Corporate Procurement Team in the medium term. Work on this is due to commence in November 2009 when, it is anticipated there will be increased certainty around the future funding of the BPSSU.
- 1.4 Despite these challenges this report highlights the considerable achievements of 2008-09 which arise as a result of the efforts of a wide range of officers throughout the Council, with projects led or supported by the Corporate Procurement Team, and increased collaboration with other Council's and agencies. Particular highlights include:
  - Introduction of new Contract Standing Orders and a totally revised Procurement Manual.
  - Successful completion of a range of major contracts. The insurance services contract alone is saving the Council £170,000 p.a.
  - Integrating sustainability, equalities and support for the third sector within the Council's procurement activities.
  - The delivery of comprehensive training to a range of officers, including school bursars and governors.
  - Closer working with the BPSSU and other Berkshire councils ensuring work programmes are complementary and duplication is eliminated wherever possible.
  - The establishment of a collaborative approach to the purchase of gas and electricity utilising the NHS Purchasing and Supply Agency framework. This approach reduced the impact of sharply rising energy prices, with cost avoidance of £600,000 achieved in a full year.

## **2 INTRODUCTION**

- 2.1 During 2008-9, the Corporate Procurement Team continued with three permanent staff, including the Head of Procurement (Jo Alderson), Principal Procurement Officer (Derek Fitz-Gibbon) and Senior Procurement Officer (Claire Seymour). A Procurement Assistant (Tanya Swain) was appointed in July 2009 and a second Principal Procurement Officer has recently been appointed (Abdul Razaq). Both the recent appointments are on fixed term contracts.
- 2.2 The Team have continued to contribute to the Council's savings. The procurement focus during the second half of the year significantly changed to support departments with a range of major procurements. The Council's Procurement Regulations were replaced with new Contract Standing Orders and the Procurement Manual has been totally revised, together with refreshing the intranet and external website. The Team are publishing reports on all supplier spend over £35k to the Corporate Management Team on a quarterly basis. In addition, briefing sessions have been provided to staff, bursars and Governors.
- 2.3 Collaborative work with other public sector bodies, within the South East and Thames Valley, has continued. The establishment of the Berkshire Efficiency Champions has helped to support further collaboration in the coming months (see section 4).

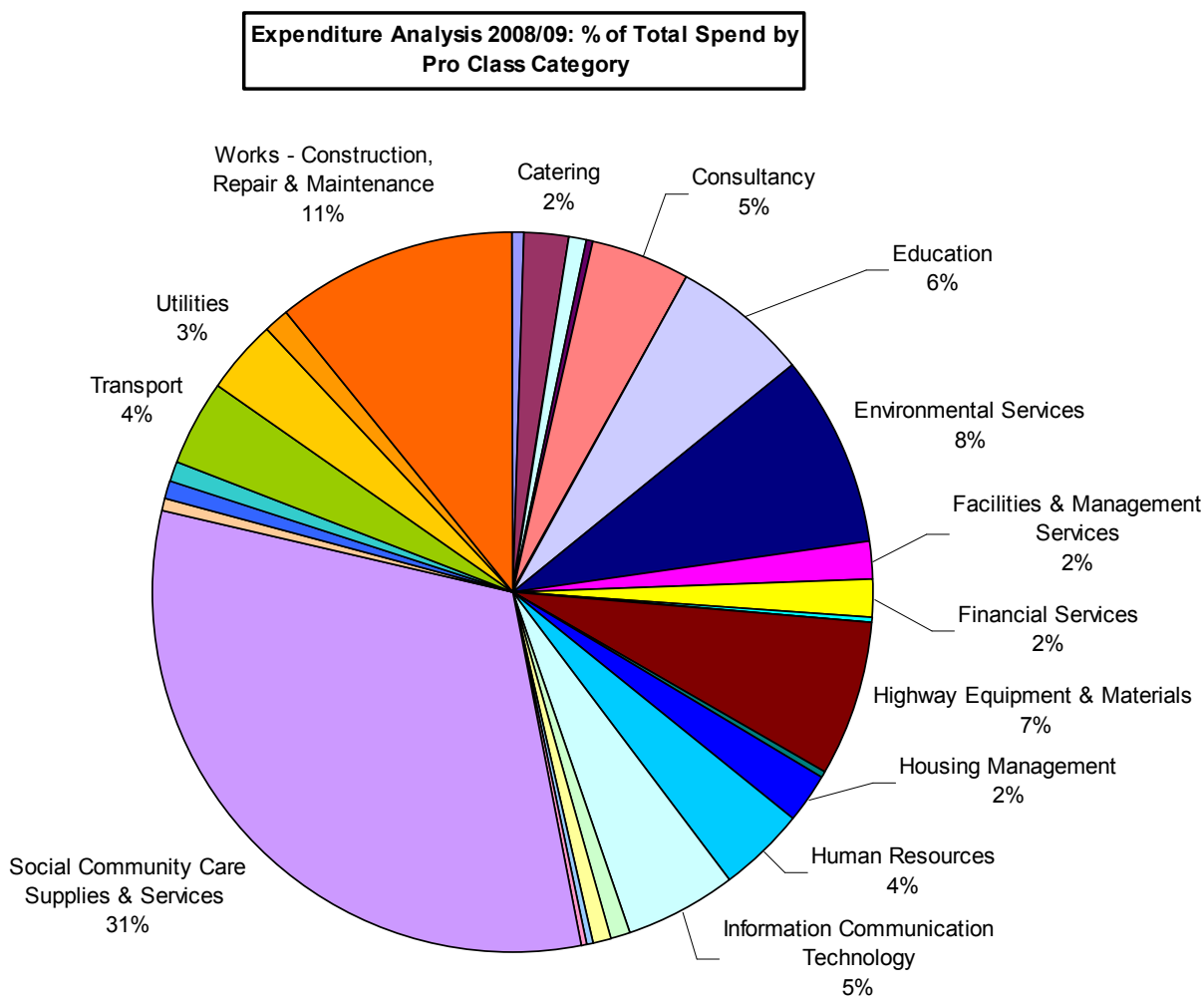
### 3 EXPENDITURE ANALYSIS

3.1 The Council's expenditure on bought-in goods and services in 2008-9 was just over £96m. This compares with £102m identified for the previous financial year.

The expenditure for 2008-9 was analysed using "ProClass", a standard procurement classification developed by the London Centre of Excellence and used on the South East Business Portal (SEBP). The 2008-9 expenditure includes analysis of Social Care payments made through the Swift finance module.

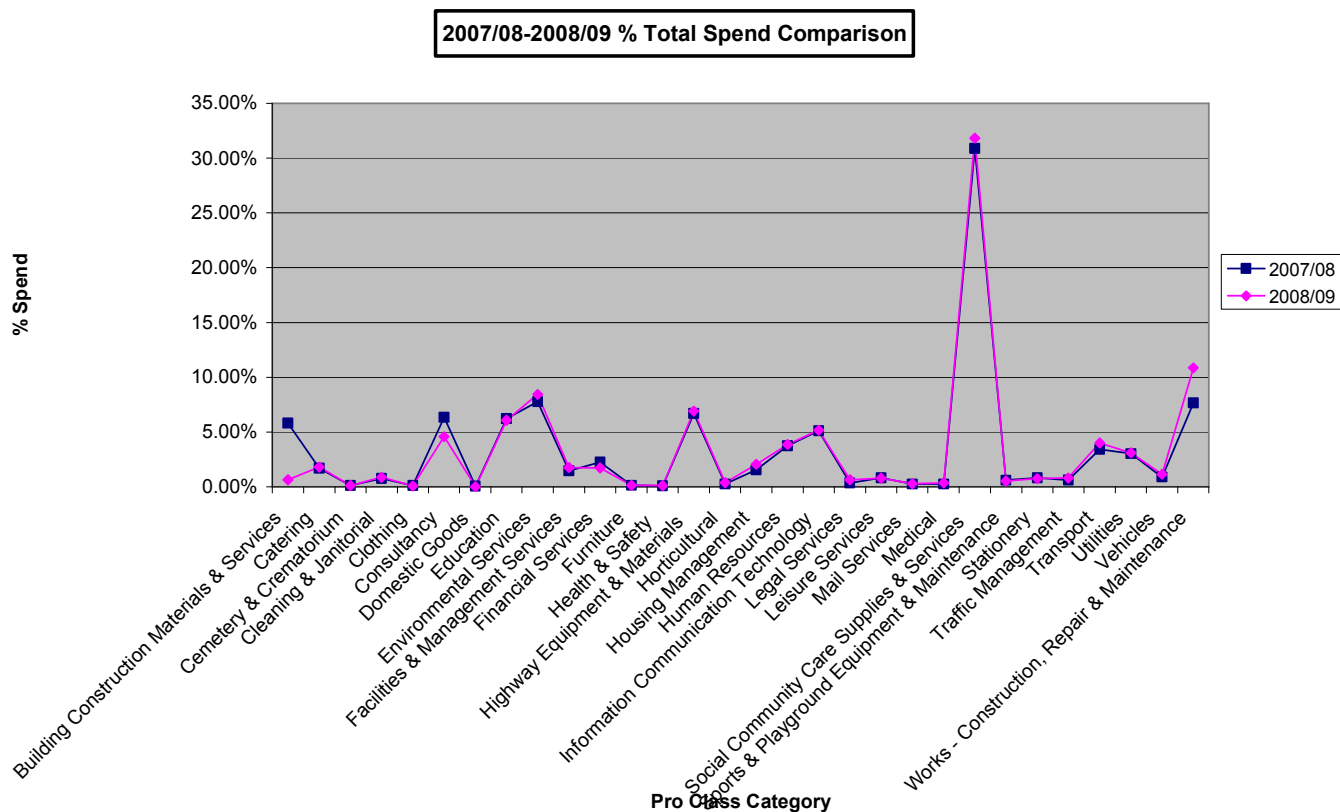
There has been movement between categories and suppliers with the majority of the £6m reduction due to the transfer of the Council's housing stock to Bracknell Forest Homes and some underspend in, for example, Children's Services.

The expenditure does not include schools except where the Council has, with their agreement, purchased on their behalf, for example on electricity.



3.2 The biggest spend areas remain Social Community Care (31%), Works and related maintenance services (11%), and Environmental Services (8%). Consultancy has further reduced (6% to 5%).

### 3.3 Comparison with 2007-8 shows a clear correlation:-



3.4 The most significant change has been in Building Construction, down from 6% to less than 1% (£5.3m). Investigation showed that a large majority of this movement can be attributed to Bracknell Forest Homes together with revised categorisation giving an increase in Works (8% to 11%).

3.5 The top 13 suppliers (over £1m) were:-

SUPPLIER	SERVICE AREA	EXPENDITURE	POSITION
1. RINGWAY HIGHWAY SERVICES LTD	Highways	£6,513,238.69	=
2. READING BOROUGH COUNCIL	Waste PFI	£4,041,039.52	↑ from 3
3. TURNSTONE SUPPORT	Adult Care	£3,624,878.14	↓ from 2
4. MACE PLUS LTD	Works	£2,748,230.70	New
5. DIMENSIONS (NSO) LTD	Adult Care	£2,399,268.97	↓ from 4
6. SITA	Waste	£2,380,083.12	↓ from 5
7. CLAUDE FENTON LTD	Works	£1,890,855.55	New
8. SOUTHERN COUNTIES CARE LTD	Adult Care	£1,254,765.60	↑ from 11
9. SOUTHERN ELECTRIC PLC	Utilities	£1,180,023.42	New
10. CONNEXIONS LTD	Young People	£1,177,015.17	↓ from 9
11. BALFOUR BEATTY INFRASTRUCTURE SERVICES	Highways	£1,149,027.54	New
12. FIRST BEELINE	Transport	£1,110,742.89	New
13. WILLIAM DAVIES LTD	Building Mtce	£1,081,102.73	=

The top three suppliers are unchanged although two have swapped places.

Five suppliers are no longer listed:-

- Anglian Windows and Travis Perkins contracts have moved to Bracknell Forest Homes.
- Zurich Municipal has been replaced by a new contract with Risk Management Partners.
- British Gas contract for electricity replaced with Southern Electric.
- Expenditure with Sol-Tec has nearly halved reflecting the reduction in IT hardware purchases.

Five new suppliers have appeared:-

- Mace Plus appointed on the Garth Hill College construction project.
- Claude Fenton appointed to provide works at Brakenhale Open Learning Centre.
- Southern Electric – as above
- Balfour Beatty expenditure increased due to new street lighting installations at Mill Lane.
- Expenditure with First Beeline was previously just under £1m in 2007/8 primarily due to payment timing.

- 3.6 Supplier spend over £35k per annum is being reported on a quarterly basis to the Corporate Management Team with Departments providing information on contracts identified. The information provided by Departments is being used to populate a register of contracts maintained by the Corporate Procurement Team.

The long term objective is that a new contracts database will be integral to the Council's financial system (Agresso) and that departments will be able to record their own contracts onto a Council-wide database. Agresso is due to be upgraded in 2010. This is a major project and the implementation of a contracts database will follow the successful completion of this exercise.

#### **4 2008-9 ACHIEVEMENTS**

- 4.1 Total cashable annual savings of £831k were achieved in year based on both new and previously established contracts (See Annex B for details). The target for new cashable savings in 2008-9 was £200k and this was achieved principally through the retendering of insurance services, which alone generated savings of £170k p.a. Non-cashable savings during the year totalled £326k. These savings are delivered through the efforts of a wide range of officers throughout the Council, with projects led or supported by the Corporate Procurement Team.
- 4.2 **Procurement Strategy** – New strategy for 2009-2011, see section 8 below.
- 4.3 **Ethical Procurement** - is the purchase of goods and services which are produced and delivered under conditions that do not involve the abuse or exploitation of any persons. The Ethical Trading Initiative (ETI) has written a Base Code which is straightforward, covering such things as not using child labour and safe working conditions. The Base Code was endorsed by the Council's Executive in April 2009 and incorporated into the new version of the Procurement Manual.
- 4.4 **Procurement Manual** - The first revision of the Bracknell Forest Procurement Manual was published in 2004. This was subsequently updated in early 2006 to reflect the requirement for a mandatory standstill period in EU procurements and

other minor changes. In March 2009, the Corporate Management Team endorsed the revised manual.

Changes to the Procurement Manual include the following:-

- To incorporate the new Procurement Strategy 2009-2011,
- To reflect changes in legislation and subsequent case law,
- To reflect changes in the new Contract Standing Orders,
- New section on Social Benefits,
- New section on Preparation.

The Procurement Manual will now be a live document, being updated on a regular basis, with the latest version published on the intranet (Boris).

4.5 Major contracts awarded during 2008-9, by or with the assistance of the Corporate Procurement Team included:

4.5.1 **Insurance Services** – This complex procurement was supported by external consultants and resulted in significant savings that contributed to the 2008/9 savings target. The estimated annual value is over £700k.

4.5.2 **Drug Services for Bracknell Forest** – the Council undertook a tender exercise to establish a contract for Drug Services. This consisted of 4 separate lots, one of which was for a joint requirement with Windsor and Maidenhead. The contract is now in operation with an estimated annual value of £275,000. The service is funded by a ring fenced grant and the savings delivered as a result of this procurement will be re-invested in additional staff to improve the overall service.

4.5.3 **Internal Audit** – the Council lead a tender exercise to establish a framework for the provision of audit services. This framework is open to other Berkshire authorities to use. The contract is has been in operation since 1<sup>st</sup> April 2009 with an estimated annual value of £200,000 for Bracknell Forest Council.

4.5.4 **Building & Engineering Repair and Maintenance Services** - Corporate Procurement assisted the Building Design & Surveying group with the appointment of a new contractor in June 2009. This procurement, started in September 2008, was carried out following a full European restricted procedure. The contract has been let for 2 years with optional extensions for a further 2 years with an estimated value of £600k per annum. Some savings are anticipated but are dependant on the amount of work required which is variable.

4.6 Other departmental projects partially supported by the Corporate Procurement Team in 2008-9 included:

- Information, Advice & Guidance Services for children and families
- Hosting & Maintenance Services to SmartConnect Site License Holders
- Jennetts Park School Design Management Services
- Employer's Agent for Garth Hill College
- Adult Social Care IT System
- Library stock – use of Central Buying Consortium frameworks
- Electronic Document Records Management System – mini-competition under OGC Buying Solutions framework

4.7 **Sustainability, Equalities and the Third Sector** – the Team has been working closely with other officers on these areas, as follows:-



- 4.7.1 The Climate Change Action Plan has been finalised and includes a section on Procurement together with an implementation plan. In November 2008, the Council's Corporate Management Team agreed to adopt the Defra "Quick Wins" minimum standards as Council policy and "best practice" standards as an aspirational goal, where feasible.
- 4.7.2 Work in the Equalities Sub Group has resulted in new guidance on Equalities Impact Assessments (EIAs) for Procurement projects which has been incorporated into the revised Procurement Manual. Procurement related staff have received specific EIA training which will help to promote equalities in procurement throughout the departments.
- 4.7.3 The Third Sector Compact was revised to include a new section on Procurement and this is now also incorporated into the Procurement Manual.
- 4.8 **Departmental Service Plans** – The Assistant Chief Executive's Office, together with Procurement, have developed a new Annex for the 2009/10 service plans. Departments have completed their service plans and this includes information on major expenditure proposals. This information is invaluable for identifying forthcoming procurement projects and resource requirements.
- 4.9 **Procurement Training** – Briefing sessions for key officers on the new Contract Standing Orders and the Procurement Manual were held through March to May 2009. This briefing was also provided for Bursars and Governors. A training programme is being finalised for managers, the Executive and Councillors for delivery during 2009/10.

## 5 COLLABORATION

- 5.1 **Improvement & Efficiency South East (IESE)** – previously known as the South East Centre for Excellence (SECE). Direct contact with IESE has reduced following the establishment of the BPSSU below. The Garth Hill College project utilised the IESE major works framework. The Head of Building Surveyors and Head of Procurement are joint representatives on the Steering Group for this framework.
- 5.2 The South East Business Portal is run by IESE and the Corporate Procurement Team continues to advertise opportunities on it. The Team also uses the portal as a contracts database that can be viewed by suppliers and other interested parties thereby reducing Freedom of Information requests. The Head of Procurement represents the Thames Valley Procurement Forum (TVPF) on the Portal User Group. Increased usage of the Portal helps support the Council's objective to sustain economic prosperity by ensuring visibility of opportunities to local businesses.
- 5.3 **Berkshire Efficiency Champions** are senior officers predominately from Finance, with a rotating chairman. The prime objective of this group is to facilitate the delivery of cashable savings through collaborative procurement by the BPSSU and TVPF officers.
- 5.4 **Berkshire Procurement Shared Services Unit (BPSSU)** projects affecting Bracknell Forest in 2008-9 included:
- Learning Disabilities Initiative – secured savings on BFC residential placements totalling £96k in year (of which £74k relates to placements funded by the PCT under S 28A of the 1999 Health Act). However, agreements concluded towards the end of the year will result in higher savings for 2009-10. The accommodation and support arrangements for the individuals concerned are currently under

review. It should be noted that these savings relate specifically to registered residential care homes.

- Dementia Nursing Home Frameworks - agreements now concluded with four providers
- Fleet procurement – report published
- Personal Transport Shared Service (Phase 1)

5.5 **Thames Valley Procurement Forum (TVPF)**, chaired by RBWM, has continued to the development of strategic and collaborative procurement. The group supports the sharing of procurement best practice and continued development of Berkshire standard procurement documentation. The TVPF recently agreed a programme of procurements to be led by one authority on behalf of the others. This approach will avoid duplication of effort and has the potential to deliver further cashable savings by aggregating demand across Berkshire.

## 6 PROCUREMENT PROJECTS

The high expenditure areas are currently being addressed as follows:

6.1 **Social Community Care – Adult Social Care** - Continues to implement a full range of support provision under cost and volume, spot and block contracts.

A tendering process to establish frameworks for learning disability community support services has been completed, with a commencement date of July 2009.

Adult Social Care is leading on a collaborative procurement for Tier 3 drug and alcohol services with Slough and Windsor and Maidenhead. The new contract should be in place by early 2010.

A number of other projects are planned to commence during the summer of 2009. These are for framework agreements for community based support to help people to live independently at home and will replace the existing domiciliary and domestic support services and the meals on wheels service.

Commissioning Strategies for people with Dementia and people with Sensory Impairments have been approved by the Executive. The strategies are underpinned by sound quantitative and qualitative needs analysis reflecting the needs and wishes of people in the borough.

6.2 **Social Community Care - Children's Services** - The contract management role is still being covered by departmental Finance. A dedicated officer has been appointed but the role is in transition.

A second collaborative procurement, lead by Wokingham BC, has been completed to establish frameworks for Independent Foster Agency (IFA) Services. The joint procurement is expected to provide some savings through competitive pricing although this is dependant on usage.

6.3 **Works** – A number of projects, mostly for schools, continue to be competitively tendered as required. The contract for building repairs and maintenance was re-tendered, see above.

The IESE framework agreement for Major Works, managed by Hampshire County Council, was utilised during 2008-9 for the Garth Hill College One School Pathfinder project. Mace Plus was appointed and construction has now started. The final

contract price achieved efficiency savings estimated at 8% (or £240,000) in 2008/09. The tender for the IT equipment is in progress.

The Berkshire Unitary Authorities, led by West Berkshire, are undertaking a competitive tender to form a framework agreement for Minor Works valued between £25,000 and £1m. Bracknell Forest is represented on the project team by the Building Surveyors. The framework is planned to be in place for use during 2009/10.

#### 6.4 **Environmental Services**

Waste and cleansing services - the Re3 project involves this Council in a 25 year PFI partnership with Wokingham and Reading Councils for the disposal of our household waste and recyclables in order to achieve cost and recycling targets. The build stage of the project will be complete by the middle of 2009. In the meantime, all Councils are able to report good progress with recycling through the delivery of this contract. Rates are expected to continue to improve next year when all targets should be exceeded.

A new post of Performance and Projects Manager has been created to support the procurement work in Environment Culture & Communities.

The South Hill Park renovation project, funded by National Lottery grant, has commenced with the procurement of a lead consultant utilising an English Partnerships framework. Work has commenced on the procurement of the main landscaping works.

6.5 **Consultancy** – Consultancy spending has reduced to 5% with the Procurement Team more frequently involved in the procurement process. Consultancy includes a wide range of activities, many of which support the delivery of the Council's key services. During the year the most significant areas of spend were construction (project managing Garth Hill College) and highways (bridge assessment, strengthening, management and maintenance; traffic monitoring and engineering work associated with London Road, John Nike Way).

6.6 **Utilities** - In collaboration with other Berkshire unitary authorities, the Council's gas and electricity supply migrated to the NHS Purchasing and Supply Agency (PASA) framework suppliers in the autumn of 2008. The significant market price increases meant that there were no cashable savings but non-cashable savings are estimated at £600k, with £326k in 2008/9. This amount is based on comparison with the market price should the Council have tendered independently. The framework prices are refreshed in April based on PASA procurement in the futures market throughout the preceding 12 months. The April 2009 prices have increased but continue to secure significant cost avoidance for the Council.

## 7 **OVERVIEW & SCRUTINY AND AUDIT**

7.1 A Procurement Update was provided to the Overview & Scrutiny Commission in March 2008 which resulted in a request to report back procurement approvals, levels of "off-contract" expenditure and whether there was a case to centralise procurement. The resultant information item concluded that:-

- There are some areas of devolved procurement which would benefit from:
  - An updated and clearly documented Scheme of Delegation in each department, and
  - Senior officer membership of the Strategic Procurement Group (SPG).

- The importance of professional procurement throughout the Council is increasingly being recognised.
- The reasons for the off contract spend vary but it is continuing to reduce.
- Until the “Balancing the Budget” review of all support services is completed, it is recommended that the Council retains the existing devolved system of purchasing and cost centre management.

Subsequently, all departments have updated Schemes of Delegation and both membership and attendance of the SPG has improved. Professional procurement is a key theme of the new Procurement Strategy. Off contract spend continues to be monitored.

7.2 The internal audit in early 2008 on Contracting & Procurement covered a sample of suppliers with high expenditure. The audit highlighted some areas of non-compliance by departments. A further internal audit of major contracts was subsequently instigated, with several considerations raised. These considerations have been reviewed by an officer group, including Legal Services, Procurement and Audit, and an action plan agreed by the Executive in December 2008. Progress against this action plan is reported regularly to the Executive.

7.3 The Comprehensive Area Assessment (CAA) was introduced in April 2009, into which the Audit Commission will feed their review on the Use of Resources (UoR) by the Council. The UoR have been extended to include a new Key Line of Enquiry (KLOE) covering commissioning and procurement. The Strategic Procurement Group and Corporate Procurement have gathered evidence and some interviews with the Audit Commission have taken place.

## **8 PROCUREMENT STRATEGY AND KEY PERFORMANCE INDICATORS**

8.1 Of the remaining three actions in the 2005 Procurement Strategy, market development is being partially addressed by the Berkshire Procurement and Shared Services Unit (BPSSU) and the Ethical Code has been dropped in favour of the existing Council’s Code of Conduct. The final action, a major suppliers’ development programme, is carried forward into the new strategy as part of Risk Management.

The progress statement for the remaining actions is included in Annex C.

8.2 The new Procurement Strategy 2009-2011 was endorsed by the Council’s Executive in April 2009. In support of Government strategies and recognising the requirements of the Council’s medium term objectives. The following vision has been developed and is applicable to all Officers involved in the procurement process:

**We will:-**

**Deliver high quality services to the Bracknell Forest community by using professional procurement practices to obtain best value for money whilst considering social benefits.**

The Core Objectives of the Procurement Strategy are to:-

1. Obtain best Value for Money,
2. Use Professional Procurement practices,
3. Consider Social Benefits.

Within these three Core Objectives are key targets to be achieved over the next three years. The Social Benefits focus on Equality, Sustainability, Small Businesses and the Voluntary Sector which are now priorities – including the Council's new MTO to sustain economic prosperity.

Progress to date against the Summary Action Plan is shown in Annex C

- 8.3 The Key Performance Indicators (KPIs) are shown in detail in Annex A. Some areas are showing an improvement although novation of contracts to Bracknell Forest Homes and the increase in direct payments has created some anomalies in other areas. The number of contracts on the database has further increased.
- 8.4 The total number of transactions (excluding direct debits) was 51,303 spread over 5,448 active suppliers. The number of transactions has continued to reduce. The number of suppliers with one invoice only in the 12 month period has increased to 2,300 from just below two thousand. This increase is probably due to the increase in direct payments to individuals. The top one hundred suppliers by transaction now represent 20,000 transactions (39%), a small decrease of 4%. The number of "true" invoices, measured by BVPI No.8, has continued to reduce by a further 16%..
- 8.5 In October 2008, the Government published the "Procurement value for money indicators" which are split into primary and secondary. These have been added to the top of Annex A. Additional indicators will be reviewed and added as data collection is improved.

## **9 THE FUTURE**

- 9.1 Current and planned procurements are detailed in the departmental service plans, and include:-
- Highways – pavements, street care, traffic and transport requirements
  - Stationery
  - Telecommunications – fixed line telephony and related services
  - Building services – lift maintenance, fire alarms, heating & ventilation etc.
  - Construction – Primary Capital Programme, Garth Hill completion
  - Car Parking – management, equipment and enforcement
  - Domiciliary Care provision
  - Playgrounds & equipment – Playbuilder project funded by the DCSF
  - Broadband services framework – led by South East Grid for Learning (SEGfL)
- 9.2 Thames Valley collaborative projects for 2009 onwards, subject to final agreement, include:-
- IT Hardware and Software – Bracknell lead
  - Broadband services – Bracknell lead (as above)
  - Advertising – complete tender and review of practices – Reading lead
  - PASS Project – Reading lead
  - Publications & Subscriptions – RBWM lead
  - Commodity Price Benchmarking – RBWM lead
  - Training Services – RBWM lead
  - Community Meals – Slough lead
  - Occupational Health – Slough lead
  - Construction Framework (Small Works) – complete tender – West Berkshire lead
  - Property Service Contracts – West Berkshire Lead
  - Consultancy – Wokingham lead
  - School Meals (Phase 2) – Wokingham lead

9.3 BPSSU projects for 2009/10 include:-

- Learning Disabilities Initiative (next phase)
- Energy data management and process improvement.

9.4 Value for money will continue to be delivered through

- Identification of suitable nationally-available frameworks, thereby reducing the cost of holding full competitions.
- Increased collaborative procurement through the TV Procurement Forum, BPSSU, and other public bodies, achieving lower pricing from larger purchasing power and sharing the cost.
- Enhanced competition for Bracknell Forest contracts through wider publication of forthcoming contract opportunities, particularly through the South East Business Portal.

9.5 The Corporate Procurement Team was originally established to assist the Council with balancing its revenue budget through the delivery of cashable savings. The Council's budget anticipates that new cashable savings of £100k in 2009-10 and a further £70k in 2010-11 will be achieved. Recent events have meant that the focus of the team has shifted towards increased support and advice for major departmental procurements. A project has therefore been included in the Council's Service Efficiency Strategy to establish the role and purpose of procurement in the medium term. This is a complex piece of work as the outcomes also need to take account of the BPSSU's role and work programme, (although continued funding for the Unit beyond 31 March 2010 is uncertain) and increased collaboration and joint working across Berkshire through the Thames Valley Procurement Forum. Work on this project is due to commence in November 2009.

**JO ALDERSON**  
**Head of Procurement**

August 2009

## ANNEX A - KEY PROCUREMENT PERFORMANCE INDICATORS

KPI	Source	As at 01/04/08	Aim	As at 01/04/09	Achieved
Total cost of the procurement function					
a) as a percentage of the organisational running costs	Balance Sheet – Corporate Procurement Team (including Admin)	N/A		0.09%	N/A
b) as a percentage of non-pay expenditure		N/A		0.16%	N/A
Professionally qualified procurement employees as a percentage of total procurement employees	Corporate Procurement Team (including Admin)	N/A		2 out of 4 – 50%	N/A
Number of organisations top 10 suppliers who have a formal agreement	Contracts database & £35k report – <i>Note 1</i>	N/A		100%	N/A
No of contracts >150k on full extension	Contracts database	62	↑	74	✓
No of contracts <150k on full extension	Contracts database	35	↑	43	✓
Total contracts	Contracts database	97	↑	117	✓
No of suppliers	Annual expenditure ex Agresso	5,238	↓	5,448	✗ <i>Note 2</i>
	Single Transaction	1,954	↓	2,292	✗ <i>Note 2</i>
Annual expenditure	Annual expenditure ex Agresso	£102.4m		£96.4m	
Average per supplier	Calculation	£19,545	↑	£17,696	✗ <i>Note 2</i>
Identified Procurement Community members	Agresso Authorisers	188	↓	190	=
Volume of spend on Contract	Contracts database & £35k report	£48.1m	↑	£42.9m	✗ <i>Notes 2 &amp; 3</i>
Volume of spend off contract	Calculation	£54.3m	↓	£53.5m	✓
No. of invoices	- BVPI No.8	35,850	↓	30,050	✓

Average invoice value	Calculation (against BVPI)	£2,856	↑	£3,208	✓
No. of Contract notices on OJEU	TED website (PINs, notices & awards)	19	↑	23	✓
Cashable Procurement Savings	SPG - Cumulative	£883k	N/A	£811k	✗ Note 3
	SPG - New	N/A	£200k	£173k	N/A

Note 1: The existing contracts database is based on contracts over £35k advised by the departments. Work is ongoing to improve the data captured through the quarterly £35k report.

Note 2: The number of active suppliers with a single transaction has increased by over 300. There are over 800 which would appear to be a named individual probably reflecting the increase in direct payments.

Note 2: Change due to novation of the Building Materials & Windows contracts to Bracknell Forest Homes. Awaiting contract information on construction works.

Note 3: Covers Adult Social Care spot contracts (£9.8m) and SEN school placements (£3.6m).



## ANNEX B - PROCUREMENT SAVINGS 2008-9

Estimated Total Savings are usually calculated by comparing previous pricing and new pricing at the beginning of the contract and therefore does not take into account any fluctuation in usage which may subsequently occur. Those contracts labelled 'New' contributed towards the Council's cashable savings target of £200k in 2008-9. In addition to the savings below, new non-cashable savings totalling **£326k** were achieved - primarily through cost avoidance on electricity and gas.

Depts	New	Contract	Nature of saving	How achieved	Contract Expiry	Estimated Total Saving	2008-9 Savings
<b>REVENUE:</b>							
All		Agency staff – now includes care staff	Lower pricing	Implementation of Hants CC contract	30-Jun-09	£275k	£40k
All		Fixed line Telecoms	Lower pricing	Competitive tendering and e-auction	30-Sep-09	£356k	£49k
All		IT framework	Lower pricing	Competitive tendering	31-Mar-10	£467k	£56k
All		Mobile Phones	Lower pricing	Change to new OGC framework	31-Dec-08	£42k	£24k (1)
All		Printer Cartridges	Lower pricing	Using new OGC framework via Banner agreement	29-Jun-08	Up to £29k per annum	£3k (1)
All		Photocopier / Multifunction Devices and Associated Services	Lower pricing	Using OGC framework	31-Aug-10	£68k	£8k (1)
All		Office Cleaning	Lower pricing	Competitive tendering	31-Oct-11	£360k	£90k
All		Electricity – un-metered	Lower pricing	Using OGC framework	30-Sep-08	£77k	£45k
All		Food & Drink	Lower pricing	Competitive tendering	Various 2011	£30k per annum	£34k
CS		Transport Services	Lower pricing	Competitive tendering	31-Aug-11	£141k p.a.	£141k
CS	New	Consultancy	Lower pricing	Using OGC framework	Ad Hoc	£5k	£6k (1)
CS	New	Insurance	Lower pricing	Competitive tendering	31-Mar-12	£600k	£170k
SC&L	New	Fostering Agencies	Lower pricing	Using Wokingham frameworks	31-Aug-11	£96k	£9k
EC&C	New	Library Stock	Lower pricing	Using CBC frameworks	31-Mar-10	£28k	£9k
All	New	Miscellaneous					£10k
						<b>Sub Total</b>	<b>£694k</b>
<b>HOUSING:</b>							
EC&C		Building Materials – contract novated to BFH in Feb-08	Profit Share & Rental Income only	Competitive tendering	30-Oct-09	£124k	£137k
						<b>Sub Total</b>	<b>£137k</b>
						<b>TOTAL</b>	<b>£831k</b>

(1) As confirmed by OGC Buying Solutions

## ANNEX C - PROCUREMENT STRATEGY PROGRESS STATEMENT

June 2009

	Checkpoints	Achieved Yes/No	Actions reqd	Evidence of achievement	Cmptn Date	Comments
2.2	Integrate with depts annual Service Plans	Y	Discuss with HoP&I		Apr-09	Major procurements will now be identified in annual Service Plans. <a href="#">New Annex C covering Anticipated Procurement Projects over £100k in the coming year.</a>
3.2	Review processes and Contract Regulations	Y	Completed	Adoption of revised Regs by Full Council and publication on Intranet	Dec-08	<a href="#">New Contract Standing Orders (CSOs) written and effective from 1<sup>st</sup> April 2009.</a>
3.3	Procurement Manual and best practice toolkit	Y	Completed	Publication of Manual and completion of staff training	09-04 Feb-09	Advice published in Procurement Manual and on Intranet. <a href="#">Manual revised, effective 1<sup>st</sup> April 2009.</a>
5.1	Best practice guidance to staff in conjunction with SAG and CCG	Y	Completed	Procurement manual chapter published	03-06	Procurement section in Climate Change Action Plan. Review of "Quick Wins" completed by SPG. Procurement Manual <a href="#">updated.</a>
10.1	Ethical code as part of Procurement Manual	Y	Completed	<a href="#">Procurement manual chapter published</a>	12-07	<a href="#">Existing Code of Conduct for staff referenced in Manual.</a>

## Annex D - Procurement Strategy 2009-011 - Summary Action Plan

Item	Subject	Action	Priority	Target	Progress
<b>1</b>	<b>Professional Procurement</b>				
1.1	Code of Conduct	Publish guidance	1	May-09	Complete
1.2	Ethical Procurement	Approval & publish guidance	1	May-09	Complete
1.3	Consultation	Review elected member involvement	3	Nov-09	In Progress
1.4	e-Procurement	Commence e-Invoicing	2	Dec-09	Review Complete
1.5	Contract management	Publish guidance	2	May-10	
1.6	Guidance & Training	New contracts database	2	Dec-09	Dependent upon Agresso Upgrade
<b>2</b>	<b>Value for money</b>	Whole life costing	1	Feb-10	
2.1	Savings	<i>As published in the Finance Service Plans</i>			
2.2	Collaboration	Improve links	3	Sep-09	In progress
2.3	Innovation	Assist officers	2	Feb-10	
2.4	Risk	Review guidance	3	May-09	Complete
<b>3</b>	<b>Social Benefits</b>				
3.1	Corporate Social Responsibility	<i>Refer 1.2, 3.2, 3.3, 3.4 and 3.5</i>			
3.2	Equality	Embed EIAs	1	Dec-09	In progress
3.3	Sustainability	Increase procurement of sustainable goods	2	Dec-10	
3.4	SMEs	Embed Concordat	3	Dec-09	
3.5	Third Sector	Improve links	3	May-10	

