

Appendix C

Procurement Improvement Project Initiation Document

1. Introduction

This is the project initiation document for the Procurement Improvement Project.

The primary aim of this project is to achieve savings in FY 21-22 and into the medium-term

Given the Council's challenging financial position, a review of spend on the procurement of goods, works and services is essential in helping to deliver the savings identified as part of the 21-22 budget setting process.

The project also aims to identify process improvements aimed at achieving savings in future years.

An analysis of spend has identified both non-compliant spend and contract overspend.

2. Objectives of the Project

The primary objectives of the project are to;

- 2.1. Deliver the budgeted savings for FY 21-22
- 2.2. Identify and deliver additional savings in FY 21-22 - by means of a systematic review of all contracts expiring by 31/3/22
- 2.3. Identify savings against longer term contracts that will carry through to FY 22/23 and 23/24 and beyond.
- 2.4. Identify and implement process improvements that facilitate compliance and transparent procurement processes that are completed on time and achieve maximum cost efficiency.
- 2.5. Process improvements and controls will reduce contract overspend and off-contract spend and drive savings beyond FY 21/22.
- 2.6. The systematic review of contracts to be repeated annually.

3. Scope of the Project

- 3.1. The project will involve a review of all supplier contracts expiring before 31/3/2022 and involve the following workstreams:
 - Data analysis
 - Contract Review
 - Contract re-procurement
 - Process Improvement analysis
 - Process Improvement implementation
- 3.2. The project focuses on term contracts expiring before then of FY 21-22 as these will need to be re-procured or terminated and present the best opportunity to achieve savings in the short to medium term.
- 3.3. There are 105 contracts expiring within this period of which 9 (including the Biffa Waste contract) have already been procured:

Procurement Status	No. Contracts	Value
Procured	9	£2,813,213
Re-Procure	96	£2,598,783
Total	105	£5,411,996

- 3.4. The project will concentrate on the 96 contracts to be re-procured.

3.5. The contract review will be based on an agreed set of parameters, to include:

- Does the contract relate to a Statutory or Discretionary service?
- If Discretionary can the contract be terminated?
- If Statutory can the service be provided in-house?
- Are there alternatives? -either alternative suppliers or alternative solutions?
- Can the contract term be changed to provide better pricing?
- Is it possible to collaborate with another Authority?

3.6. Non-Contract spend will be identified and either stopped or competitively tendered contracts put in place.

3.7. Contract overspend will be identified and measures put in place to reduce and control.

3.8. To successfully meet the aims of the project resource will be required from:

- 3.8.1. Procurement Specialist (John McGeown) to lead the project and a Case Officer (Jacob Hughes) to provide support.
- 3.8.2. Finance support to provide and update budget information and identify and implementing financial controls as well as validate achieved savings
- 3.8.3. Legal support for new or revised contract
- 3.8.4. Contract Owners. The 15 identified contract owners from across the Council will be required to undertake a detailed review of their contracts against the agreed set of parameters.

4. Project Governance

4.1. A Project Board will be created to ensure the project is on track.

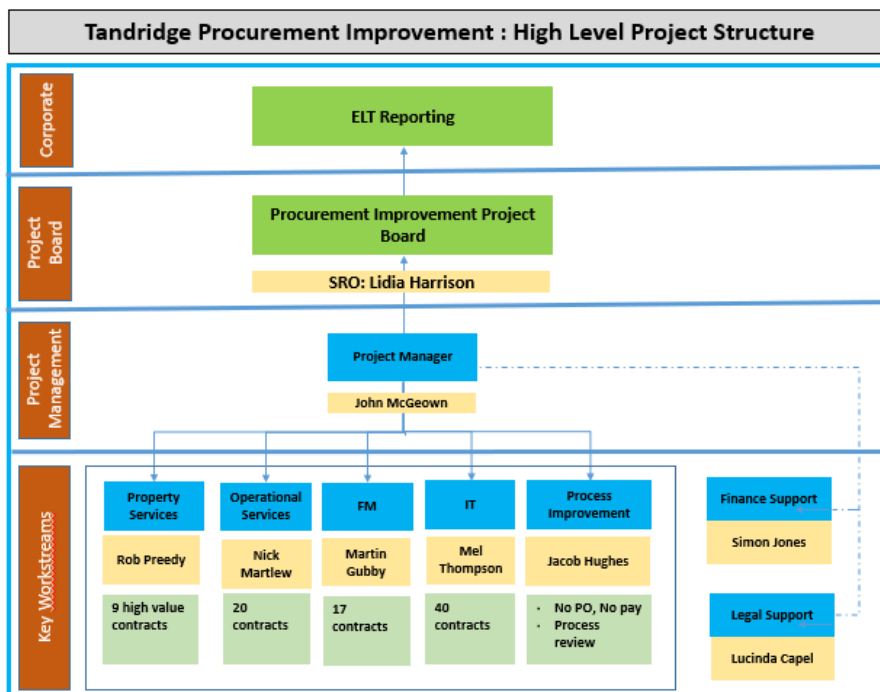
4.2. The project Board will report to ELT.

4.3. The constitution of the Project Board will include the Project Initiator (Head of Finance and S151) Senior Responsible Officer (Head of Legal and Monitoring) the Project Manager (Procurement Specialist) and a number of key stakeholders who manage a significant number of the contracts under review, detailed below.

4.4. Additional support will be required from Legal and Finance.

4.5. A monthly project status report will be provided by the PM to the SRO for report to ELT

4.6. A quarterly status update will be provided by the SRO to the S&R Committee.



5. Project Timeline

- 5.1. The initial data gathering has commenced and while the contract reviews are scheduled to be completed by the end of March 2021 the re-procurement of new contracts will continue throughout the next financial year to March 2022
- 5.2. The key tasks and milestones are:

No.	Milestone	Target Date
1	Data Gathering	8/1/21
2	Data Analysis	15/1/21
3	Review of budgets	22/1/21
4	Review of contracts -identification of cost savings	19/3/21
5	Present a report outlining the proposed savings and process improvements to ELT	19/3/21
6	Contract re-procurement (throughout the year)	31/3/22
7	Identification of non-contract spend	5/2/21
8	Procurement of new contracts	31/12/21
9	Identification of contract overspend	8/1/21
10	Implementation of controls	19/3/21
11	Identification of process improvements	19/3/21
12	Implementation of process improvements	31/9/21
13	implementation of No PO No Pay policy.	31/3/21

The full project plan can be found in **Appendix D**