

**APPENDIX C**

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**Procurement Improvement  
Project  
Update  
March 2022**

## 1. Introduction

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

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

- 3.1. The project involves 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 focused 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.

## 4. Progress

### 4.1. Deliver Budgeted Savings FY 20/21

Item	Saving	Contract Status
Telephone Budget	£30,000	Procure
Printers	15,900	Existing
Green Verges	£5,000	Existing
Inflation Containment	£6,945	Existing
Garden Waste Club	£694,664	As of 1/4/21
New Waste Contract	£311,535	As of 1/4/21
Offset Inflation	£67,900	Existing

The Telephone Budget savings are dependent on the procurement of new mobile and telephony contracts.

#### **Mobile Telephony**

New contract with EE as of 20/1/22 for 2 years.

Saving £27,196 over 2 years.

## 4.2. Contract Review -To identify additional Savings FY 20/21 and beyond.

A review of all contract expiring before the end of 31/3/22 was undertaken by the Contract Owner using the following evaluation criteria:

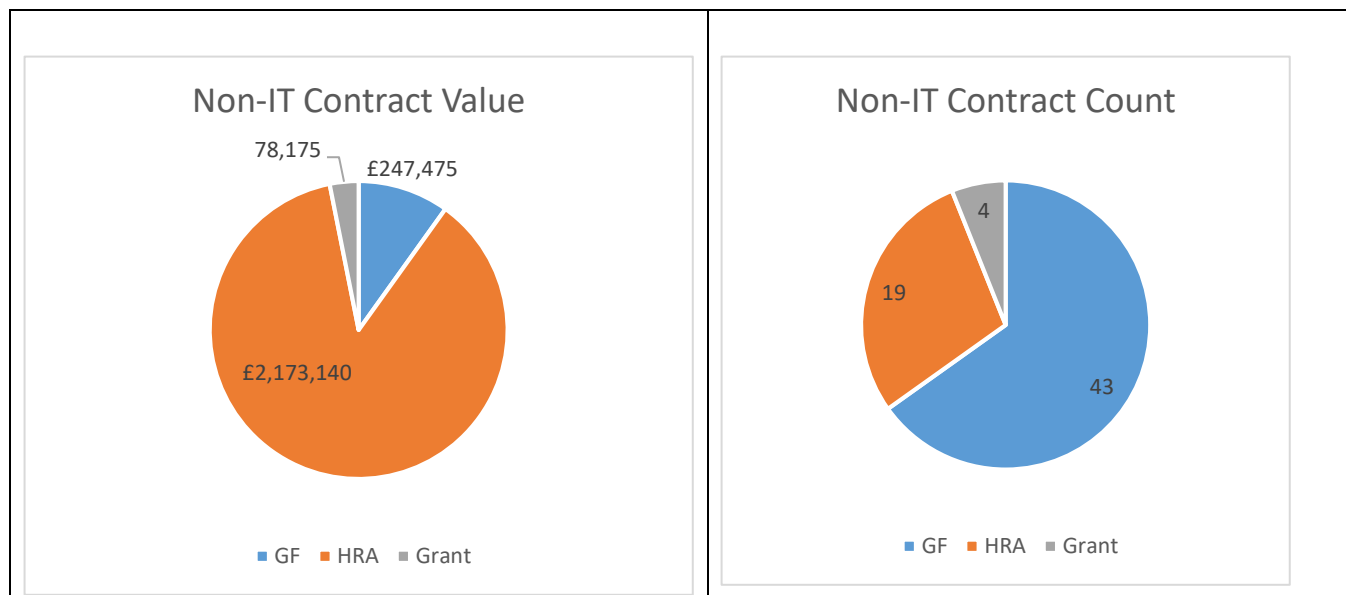
- Does the contract relate to a Statutory or Discretionary service?
- If Discretionary can the contract be terminated?
- If Statutory can the service be provided in-house?
- Are there alternatives? -either alternative suppliers or alternative solutions?
- Can the contract term be changed to provide better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

All Contract Owners completed this exercise.

The review summary has been split between IT Contracts and Non-IT Contracts.

### 5.2.1 Non-IT Contracts

There were 66 Non-IT contracts



Funding	No.	Value
GF	43	£247,475
HRA	19	£2,173,140
Grant	4	78,175

**66 £2,498,790**

The table below summarise the number and value of contracts by Contract Owner and identified additional savings:

Non-IT Contracts

Owner	Count	Reviewed	Total pa	Funding						Identified Additional Savings										
				GF		Grant		HRA		21/22		22/23		23/24						
				GF	HRA	GF	HRA	GF	HRA	GF	HRA	GF	HRA	GF	HRA					
Alison Boote	4	4	£211,645			1	£3,000	3	£208,645											
Angela Hughes	1	1	£39,125	1	£39,125															
David Gray	4	4	£28,495			1	£15,000	3	£13,495											
Giuseppina Valenza	3	3	£3,940	3	£3,940															
Jackie King	4	4	£63,435	4	£63,435															
Jane Ellis	2	2	£44,365	1	£190	1	£44,175													
John Mc Geown	1	1	£1,420	1	£1,420															
Julie Chester	3	3	£0	3	£0															
Lidia Harrison	3	3	£17,033	3	£17,033															
Martin Gubby	4	4	£5,060	4	£5,060															
Nic Martlew	20	20	£644,333	17	£49,416			3	£594,917											
Nikki Tagg	1	1	£20,000	1	£20,000															
Rob Preedy	8	8	£1,335,983					8	£1,335,983											
Sally Bayliss	2	2	£20,100					2	£20,100											
Sarah Thompson	2	2	£6,371	2	£6,371															
Simon Jones	3	3	£41,486	3	£41,486															
Will Mace	1	1	£16,000			1	£16,000													
<b>Grand Total</b>	<b>66</b>		<b>£2,498,790</b>	<b>43</b>	<b>£247,475</b>	<b>4</b>	<b>£78,175</b>	<b>19</b>	<b>£2,173,140</b>	<b>-£11,561</b>	<b>-£2,603</b>	<b>-£12,049</b>	<b>-£5,205</b>	<b>-£11,782</b>	<b>-£5,205</b>					

Summary of identified savings:

Funding	No.	Value	21/22	22/23	23/24
GF	43	£247,475	-£11,561	-£12,049	-11,782
HRA	19	£2,173,140	-£2,603	-£5,205	-5,205
Grant	4	78,175	£0	0	0
	<b>66</b>	<b>£2,498,790</b>	<b>-£14,164</b>	<b>-£17,254</b>	<b>-£16,987</b>

Potential Future Savings

Contract Owners were asked to flag contracts where further savings may be possible.

27 Contracts were flagged as having opportunities where further savings could be achieved e.g. by changing specification, term, licences etc.

Owner	Further Savings possible		
	No	Yes	Total
Alison Boote	2	2	4
Angela Hughes		1	1
David Gray	4		4
Giuseppina Valenza	1	2	3
Jackie King	4		4
Jane Ellis	2		2
John Mc Geown	1		1
Julie Chester	3		3
Lidia Harrison	2	1	3

Martin Gubby	3	1	4
Nic Martlew	14	6	20
Nikki Tagg	1		1
Rob Preedy		8	8
Sally Bayliss		2	2
Sarah Thompson		2	2
Simon Jones	1	2	3
Will Mace	1		1
<b>Total</b>	<b>39</b>	<b>27</b>	<b>66</b>

Each Contract Owners schedule of contracts has been updated accordingly and an Action Plan has been developed, refer to **Appendix 1 Action Plan Tracker**

### 5.2.1 Savings Achieved to Date (March 2022)

Analysis of contract renewals to 31 March 22 has identified the following savings:

#### Non-IT Contracts

	21/22	22/33	23/24
<b>Total</b>	<b>-£14,545</b>	<b>-£17,972</b>	<b>-£17,706</b>
GF	-£12,276	-£13,434	-£13,167
HRA	-£2,269	-£4,538	-£4,538
Grant	0	0	0

#### IT Contracts

	21/22	22/33	23/24
GF	-£86,933	-£67,098	-£59,553

### 4.3. Process Improvements

#### Process Improvement Summary

Action	Owner	Deadline	Status
Add link to PO process to the Procurement Process Flow charts at each threshold	John McGeown	31/3/21	Completed
Update Contracts Register User Guide in procurement pages on Sharepoint	John McGeown	31/3/21	Completed
Update all active contracts with correct Contract Owner	Jacob Hughes	31/3/21	Completed
Update all active contracts with default notification dates	Jacob Hughes	31/12/21	Completed
Automate the PAR process	John McGeown / Mel Thompson	TBA	On hold

#### 4.4. Spend with No Contract

A review of the Top100 spend analysis has identified the following spend that does not have a current active contract in place. Actions have been assigned, as below:

Supplier	Title / Category	Spend	Owner	Action	Target Date	Status
CA Barclay	Works to Council owned void properties	£450,000	Rob Preedy	Procurement of new contract for Void works - project kicked of 10-2-21.	Due to lack of resource pushed back to September 2022	Ongoing
Abbots Groundworks	Works to Council owned void properties	£144,000	Rob Preedy	Included in new Responsive Repairs Framework contract as of 1-4-21.	Due to lack of resource pushed back to September 2022	Ongoing
TLC (Coulson/Crawley)	Electrical wholesale supplier - periodic market testing. Numerous POs all below £5k	£68,501	Nic Martlew	Undertake formal market test exercise.		Ongoing
Channel Commercials Plc	Vehicle repair	£58,469	Nic Martlew	Will reduce as in-house engineer employed. Monitor spend.		Ongoing
Cox Skips	Skips	£50,000	Rob Preedy	Part of a wider waste disposal review		Ongoing
Royal Mail	Post	£42,000	Jayne Roberts	Procure contract		Ongoing
Tersus Consultancy Ltd	Asbestos	£40,160	Rob Preedy	The terms of any new contact dependant on the implementation of the		Ongoing



				ProMaster system		
Srs Property Management	Disabled Adaptations	£34,000	Rob Preedy	Work awarded following 3 quotes. <b>Ensure quotes are obtained using In-tend.</b>	1/4/21	
The Surrey Glazing Company		£32,951	Nic Martlew	Dependant on new working arrangement		
Archway Highway Services Ltd	Car Parks	£28,870	Nic Martlew	Work awarded following 3 quotes <b>Ensure quotes are obtained using In-tend.</b>	1/4/21	
Cosgrove & Sons Locksmiths	Evictions, Voids (New Framework)	£27,264	Rob Preedy	Included in new Responsive Repairs Framework	1/4/21	Completed
Mark Foster Flooring Contractor		£26,975	Nic Martlew	Dependant on new working arrangement		
Christopher J Edwards Ltd t/a Oxted Drain Services		£24,750	Nic Martlew	Dependant on new working arrangement		
Cavity Tech Systems Ltd	Specialist	£23,845	Rob Preedy	Work awarded following 3 quotes. <b>Ensure quotes are obtained using In-tend.</b>	1/4/21	
RA Advertising Ltd		£22,907	Giuseppina	Issue RFQ to at least 3 agencies.	1/6/21	Ongoing
John Vicars		£22,572	Nic Martlew	Dependant on new working arrangement		Ongoing
Courtney Lang Contracts Ltd	Asbestos Removal - 3 quotes	£21,292	Rob Preedy	Work awarded following 3 quotes. <b>Ensure quotes are obtained using In-tend</b>		

Balcombe Pest Control Ltd	Pest Contro;	£19,462	Nic Martlew	NM has meeting on 1 May to review.	<b>ITT issued March 22</b>	Ongoing
Cleansing Service Group Ltd	Specialist Cleaner	£17,994	Nic Martlew	Specialist Cleaner - Market Tested. Undertake formal market test exercise.		Ongoing
Elliot Baxter and 3WM	Stationary	£14,550	TBA	Single supplier for Office Supplies		Ongoing
n/a	Recruitment Agents		Nicky Hill	HR Audit requirement		
		<b>£595,957</b>				

#### 4.5. No PO No Pay policy

Insert progress table here -following discussion with Verity

Action	Owner	Deadline	Status
Send instruction to all Suppliers on No PO No Pay policy	AP	31/11/20	Completed
Develop and get approval for No PO Pay policy. To include exceptions.	Verity Royle	1/7/21	
Implement Policy	Verity Royle	1/7/21	
Update TDC website 'Doing Business with the Council'.	John McGeown	1/7/21	