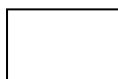

Report of the Head of Scrutiny and Member Development

Scrutiny Board: Central and Corporate Functions

Date: 5th July 2010

Subject: SCRUTINY OF VARIOUS PROCUREMENT ISSUES

Electoral Wards Affected:



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

☐

Community Cohesion

☐

Narrowing the Gap

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1.0 Purpose of Report

- 1.1 The purpose of this report is to help facilitate a discussion between Scrutiny Board (Central and Corporate Functions) and attending Procurement officers on a range of matters raised by Members of the Board.

2.0 Introduction

- 2.1 At its June meeting Board Members agreed to invite Procurement officers to its July meeting to discuss a range of issues relating to procurement. This paper helps to facilitate that discussion.

- 2.2 The issues identified for discussion were as follow;

- A progress report on implementing previous Scrutiny Board recommendations
- How, during a tender exercise, any material change to the original specification may or may not result in a fresh tender being advertised,
- How efficiency savings are evidenced
- How evaluation criteria is weighted in relation to renewables and other green issues.

- 2.3 Members of the Board have also asked for an update on revisions to Contract Procedure Rules including the involvement of elected Members early on in the procurement process.

3.0 Main Issues

Implementing previous Scrutiny Board recommendations

- 3.1 Attached as Appendix 1 is a list of previously agreed recommendations, accompanied by a comment from the Chief Procurement Officer. The Board is asked to assess the progress made on these recommendations using the tracking system identified in Appendix 2.

How, during a tender exercise, any material change to the original specification may or may not result in a fresh tender being advertised

- 3.2 A recent Call In of a delegated decision to award a beer, wine and spirits contract has highlighted an issue of changes to contract mid tender.
- 3.3 In this specific case the original specification was to award a contract to supply both Leeds and Hull outlets. Mid tender Hull withdrew, however the tender process continued. The issue for Members of the Board was should that withdrawal be regarded as a 'material change' and the original process stopped. It was argued by some Members that had the tender been re-let, other companies, (who might have decided not to tender for a joint Leeds/Hull contract) might have been attracted to a Leeds only contract.
- 3.4 Using this case as an example, Members of the Board wishes to explore with Procurement Officers the scope for recognising 'material changes' to specifications mid tender and the associated risks.

Efficiency Savings

- 3.5 Recognising the significant role procurement has in generating efficiencies, the Board wishes to understand how these efficiencies are evidenced. Members have been previously told that regular reports on this are provided to the Director of Resources. A monthly report is produced for the Resources and Performance Board (Chaired by Deputy Chief Executive and Director of Resources). A previous report presented on 25th June 2010 to the R&P Board demonstrated that Efficiency Savings of £7.2m had been made so far for 2010/11.

Evaluation criteria

- 3.6 Members of the Board wish to understand how the evaluation criteria is drawn up and weighted in relation to green issues.

4.0 Recommendations

- 4.1 Members are requested discuss the above issues with attending officers.

Background Papers

Final Scrutiny Board Inquiry Reports