

	Recommendation	Where we are up to	Stage
	Inquiry into How the Council Learns Lessons and Develops Best Practice if Contracts Go Wrong - April 2006		
	<p>Recommendation 1</p> <p><i>That departments, Education Leeds and ALMOs with the Acting Chief Procurement Officer continue to develop a corporate approach in order to ensure clarity and understanding of roles and responsibilities and consistency in approaches to project and risk management including greater use of Project Management Boards.</i></p>	<p>The Council has introduced a “One Council Approach to Commissioning” which operates as a project board itself involving all senior procurement and commissioning staff from across the Council.</p> <p>The Council has introduced the “Delivering Successful Change” programme which provides a Council wide methodology on project management and makes provision for the practice of project managers reporting to project boards.</p> <p>Many projects are now being delivered through the use of a project board.</p>	
	<p>Recommendation 2</p> <p><i>That the Acting Chief Procurement Officer develops a corporate communication strategy to ensure that greater emphasis is placed on obtaining the views of end users , including Ward Members, when services are being designed and specified in service specifications</i></p>	<p>A service user guide including a confidentiality agreement has been drawn up to protect the individuals and the Council. End users are now being included, where appropriate, on project boards and in developing the contract specifications and tender evaluation criteria.</p> <p>A workshop has been held with Elected Members to discuss the level of involvement requested or required. Contracts Procedure Rules have been amended to make it a duty to consult with Elected members on procurements and a related guide included in the code of practice.</p> <p>Under the DSC methodology, the project team is asked to consider the development of a communication plan to identify all stakeholders and members interests in the service. Many of our contracts now require the provider to report feedback to the Council on the end user views and comments and these are substantiated as part of the contract management.</p>	

	<p>Recommendation 3</p> <p><i>That the Acting Chief Procurement Officer continue to develop the corporate project 'Delivering Successful Change' incorporating the use of procurement 'Gateway Reviews' as recommended by the IDeA and the Office of Government Commerce and the Council's Risk Management Framework.</i></p>	<p>DSC is being used as the standard vehicle for procuring and commissioning new contracts. DSC is being regularly reviewed for improvement and development. All projects are recorded for quality assurance checks. Gateways are being used in accordance with Idea and OGC advice and relate to project board agendas and the Council's delegated decision process.</p>	
	<p>Recommendation 4</p> <p><i>That the Acting Chief Procurement Officer analyse the outcomes of the initial contracts using the new approach to "Delivering Successful Change" and report the results to a future meeting of this Scrutiny Board.</i></p>	<p>A shortlist of initial projects that were influential in developing DSC was produced and analysed by KPMG and the results were reported to Corporate Governance and Audit Committee. One of the benefits of DSC as the corporate standard is that officer can identify and learn from less successful event and project outcomes. DSC is now on version 3 which has been developed by using the feedback of user's experiences. The main areas of revision relate to:</p> <ul style="list-style-type: none"> • The scoring card – this determines the importance of a project and suggests whether a dedicated project manager be used and a project board arrangement. • The risk assessment – this has been developed with additional items being added as we learn. • Documentation – some documents were deemed to be unwieldy in expectation and have been revised according. Guidance was given on how to scale down the requirements for smaller projects. • A quarterly survey was introduced to evidence the use of the methodology. 	
	<p>Recommendation 5</p>	<p>This reporting, if still applicable, needs to be discussed in terms of detail</p>	

	<p><i>That the Acting Chief Procurement Officer submit a half yearly report to this Scrutiny Board on the Council's performance indicators for contracts and procurement covering departments, Education Leeds and ALMOs.</i></p>	<p>and performance indicators required. There are no national indicators for procurement performance and members may want to discuss ideas for regular reporting to scrutiny.</p>	
	<p>Recommendation 6</p> <p><i>That the Acting Chief Procurement Officer ensure that the initiatives being undertaken in "Delivering Successful Change" incorporates safeguards to manage potential conflicts with contractors and are dealt with at an early stage.</i></p>	<p>The use of project managers and project boards under the DSC methodology and particularly where the provider is included on the project board, has enabled conflicts and disputes to be identified very early on and to be resolved quickly (even if this has included dispute resolution procedures such as mediation or adjudication). The Council's terms and conditions are still maintained to protect the Council's interest. A partnering culture is encouraged throughout but provision is still made to resolve disputes.</p>	
	<p>Recommendation 7</p> <p><i>That the Acting Chief Procurement Officer submits a report on training packages which have been put in place for staff in "Delivering Successful Change".</i></p>	<p>A good number of staff has gone through the DSC training modules. There is specific training to the role of individuals. The training was contracted out to Remarc, a Leeds based training company. Details of the numbers are being compiled.</p>	
	<p>Inquiry into Streetscene Grounds Maintenance October 2006</p>		
	<p>Recommendation 3</p> <p><i>That projects involved in procuring services ensure that specifications and any proposed variations are costed simultaneously to prevent the need for the re-submission of tenders.</i></p>	<p>Every procurement exercise attempts to finalise the specification before the invitation to tender and usually does. The estimate includes all the known requirements at that stage. Estimates relate to previous history, current known rates and market situation. Tender amendments are discouraged and where made the estimate is adjusted accordingly.</p>	

		<p>There are strict governance arrangements and protocols in place for making tender variations. Variations are strongly discouraged but do happen on occasion. The client adjusts the estimate at that stage for tender evaluation purposes. Once the contract is in place, financial procedure rules dictate how variations will be considered, documented and implemented.</p>	
	<p>Recommendation 7</p> <p><i>We recommend that training takes place or information is disseminated to ensure that the term 'letter of intent' and other specialist procurement terminology is used correctly</i></p>	<p>Training has taken place on the use of "letters of intent" in the Contracts Procedure Rules (CPR's) training and a definition of "letter of intent" is included in the rules. Other specialist procurement terminology is also defined and explained within the rules. The use of a "letter of intent" is subject to consideration by the Assistant Chief Executive (Corporate Governance) and requires an invocation of CPR's which ultimately requires a Director/Chief Officer delegated decision. The use of "letter of intent" is not recommended and strongly resisted.</p>	
	<p>Recommendation 8</p> <p><i>That the Corporate Procurement Unit develop and establish the improvement measures identified as part of the review of the Streetscene Grounds Maintenance project, particularly regarding the roles and responsibilities and project management tools in place, the reporting process, the remit of the project board, costing the specification and the time allocated to the stages of procurement. We also recommend procedures are introduced to ensure all meetings throughout the process are minuted.</i></p>	<p>The use of DSC and the implementation of these recommendations have been instrumental in ensuring that Project Boards are given terms of reference and Board roles and informed of timetables and progress (using highlight reports); consider minutes of project (design) team meetings and produce minutes of all meetings. The renewal of the streetscene grounds maintenance contracts has been subject to DSC methodology with a dedicated project manager reporting to the board. Market testing pricing has taken place to detect potential future interest and costs and consultation with parish councils, area committees and individual members has been extensive. Option appraisals have been conducted to ensure that the council receives overall value for money and a level of service satisfactory to all the stakeholders.</p>	

	Procurement of Services – April 2009		
	<p>Recommendation 1</p> <p><i>That further work is undertaken by the Chief Procurement Officer to ascertain whether the One Council Commissioning Framework can be embedded within existing constitutional arrangements. This could involve a formalised role for Scrutiny.</i></p>	<p>The level of detail within the constitution has been considered and deemed to be satisfactory to embed the 'one Council approach to commissioning'. The parts considered are Contracts Procedure Rules, Financial Procedure Rules, Delegated Decision and Call-in procedure. There have been a number of procurement related investigations to demonstrate that the constitution is adequately creating these opportunities.</p>	
	<p>Recommendation 2</p> <p><i>That the Chief Procurement Officer is given responsibility for the successful development of the Category Management approach.</i></p>	<p>The procurement unit carried out a mini re-structuring exercise in October 2009 to move to a category management approach. The Council spends its money on a wide variety of goods and services and the unit is concentrating on areas of category management that will most influence the agenda of the Council, e.g. delivery of efficiency savings whilst maintaining existing standards of service. The unit is compiling category strategies and working with OGC and RIEP to formulate the most appropriate means of packaging and commissioning the requirements. Priority areas being considered are Children's Services and Adult Social Care. Category management reports are being reported to the Resources and Performance Board chaired by the deputy chief executive.</p>	
	<p>Recommendation 3</p> <p><i>That Category Management plans for key spend areas are developed by the Chief Procurement Officer. These plans should cover up to a 3 year period and detail what the Council plans to commission in those areas; what resources will be</i></p>	<p>This is in progress and the plans are making use of alternative methods of procurement such collaboration with OGC or other authorities and developing a programme of eAuctions. Contract management plans have been developed and consultation is taking place with user services. Resource plans are being put in place through prioritisation since there is insufficient resource to do all procurement within the procurement unit.</p>	

	<p><i>required to commission and manage the arrangements and how efficiencies will be made in those spend areas.</i></p>		
	<p>Recommendation 4</p> <p><i>That a Category Manager is identified for each category, who will be responsible for that category and will engage with the relevant parts of the Council who spend in that category area.</i></p>	<p>Following advice from External Audit (KPMG) a category manager should be responsible for approx. £20m external expenditure. This works reasonably well for some categories such as ICT and Transport but it is difficult to split areas of large spend such as Construction, Adult Social Care, Children's Services and Waste Management. The Council resources are such that a category manager will have to cover several categories and be responsible for more than £20m external expenditure. We are in the process of prioritising these and will identify categories where management is not practical.</p>	
	<p>Recommendation 5</p> <p><i>That a 'certificate of competency' is developed and introduced for officers involved in procurement.</i></p> <p><i>That contract management is incorporated in the pre-contract phase of all projects and that complex or high risk services also include the development of a Contract Management Plan identifying resources to be assigned to contract management and any training requirements.</i></p> <p><i>That a regional approach is taken to addressing capacity and capability problems around contract management, using Yorkshire and Humber's Regional Improvement and Efficiency Plan (RIEP) funding to facilitate improvements</i></p>	<p>A 'certificate of competency' is now in place and consists of proof of training in the following 3 modules:</p> <p>Specification Writing Tender Evaluation Contract Management</p> <p>Contract Management is included in the training of all 3 modules and it is stressed to all delegates that attention to contract management must be given at the pre-contract stage to ensure adequate provision is made in the specification and tender evaluation criteria.</p> <p>As part of the mini re-structure of the procurement unit, a specialist team was created to deal with the Council's policy and procedures on tender evaluation and contract management. A tender evaluation policy has been developed. Contract Management plans have been developed and are currently out for consultation. RIEP has been engaged to provide training courses for Leeds and other Councils' staff.</p>	

	<p>Recommendation 6</p> <p><i>That further discussion and agreement takes place on the most appropriate way forward to influence contractors' employment practices, which promotes our legal equality duties and helps achieve our Equality and Diversity Scheme.</i></p>	<p>The Council recently took part in a European review for promoting equality and diversity in contract practices and was held up as an example of best practice. However, the Chief Procurement officer recognises that continual improvement is essential and training and development employment practices are being integrated where possible into suitable contracts, e.g. Yorbuild, Procurement 2011, Arena.</p>	
	<p>Procurement of Housing Contracts – April 2010</p>		
	<p>Recommendation 2</p> <p><i>That the Chief Procurement Officer leads on developing a robust internal data sharing system/protocol to complement the Pre-Qualification Questionnaire process as part of any procurement exercise.</i></p>	<p>This recommendation will be monitored by Scrutiny Board (Environment and Neighbourhoods)</p>	
	<p>Recommendation 4</p> <p><i>That, as part of the ALITO system used by the Procurement Unit, all contract managers across the Council are prompted to conduct a review of a contract at least 12 months before the contract expiry date.</i></p>	<p>This recommendation will be monitored by Scrutiny Board (Environment and Neighbourhoods')</p> <p>The recommendation was put in place in July 2010 for all contracts greater than 18 months duration.</p>	
	<p>Use of Consultants May 2010</p>		

<p>Recommendation 1 – <i>That the Director of Resources and Assistant Chief Executive (Corporate Governance) develops a standard definition of what consultants are and what work they undertake. This definition should be adopted by all departments.</i></p>	<p>The Chief Executive and Directors have been advised of the need to ensure that all staff comply with the Council’s procedures and coding when appointing and paying for consultants. A definition has been completed following extensive research and internal and external consultation and this has been adopted by all directorates.</p>	
<p>Recommendation 2 – <i>That the Director of Resources issues guidance to all departments on the correct expenditure code to use for Consultants.</i></p>	<p>The expenditure codes have been reviewed for both capital and revenue and guidance established and distributed for the use by directorates.</p>	
<p>Recommendation 3 – <i>That the Director of Resources instructs Directorates to review expenditure on consultants to assess the extent to which they are used.</i></p>	<p>The Director of Resources has worked with the directorates and reviewed the historic expenditure in light of the coding structure now introduced. The extent to which consultants have been used, based on the reviewed definition is attached.</p>	
<p>Recommendation 4 – <i>That the Director of Resources and Assistant Chief Executive (Corporate Governance) incorporates within Contract Procedure Rules clear guidance regarding the use and appointment of consultants.</i></p>	<p>The CPR’s include specific reference and guidance on the use of and appointment of consultants. CPR’s were amended within the Council’s constitution by delegated decision in September 2010.</p>	
<p>Recommendation 5 – <i>That a database to record all details of consultants, including ratings, to be shared between departments and potentially with</i></p>	<p>A database is set up and available for recording all contracts and appointments of consultants. The database is referred to as SCMS and is used by all directorates and most of the region’s local authorities,</p>	

	<i>other authorities is set up.</i>	Yorkshire Forward and South Yorkshire Fire and Rescue. The challenge will be to ensure that all directorates record the details. The process will be monitored and verified by analysing the Council's financial coding systems. Where records do not match and have not been produced on SCMS, the directorates will be instructed to complete the details. These records will be retrospective to the appointment. The database system will record the consultant's performance rating.	
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