



Purpose: For Noting

## Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>26 JUNE 2017</b>
Title	<b>PROCUREMENT ACTIVITY REPORT FOR THE HALF YEAR 1 OCTOBER 2016 TO 31 MARCH 2017 (Q3 and 4 2016-17)</b>
Report Author	<b>HEAD OF LEGAL SERVICES AND MONITORING OFFICER</b>

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### EXECUTIVE SUMMARY

1. This report provides the committee with a high level view of the council's procurement and contract monitoring activity for the period 1 October 2016 to 31 March 2017 inclusive.
2. In addition, this report also sets out an overview of recent changes and achievements within the Procurement and Contract Monitoring Team.

### BACKGROUND

3. Historically, the Procurement Team's primary focus was to ensure legal compliance with the relevant internal and external public procurement rules and regulations and had little capacity to work on identifying alternative options to maximise savings or to focus on the development and modernisation of procurement practices.
4. In November 2015, approval was given to bring in a temporary procurement officer to free up the team leader to focus on redrafting the council's Contract Standing Orders ("CSOs") and Procurement Strategy. This additional resource allowed the team start to add value to the service being provided and subsequently was able to make savings on a number of contracts through working closely with officers in the letting of their contracts.
5. It was also recognised that whilst the highways PFI, waste and transport contracts are managed in a central dedicated team, all other general contracts are managed by individual services with no centralised system assisting with the review, monitoring and compliance, and no contract management framework in place to aid services in understanding what is required for effective contract management. Therefore, there is no

consistency in approach or central understanding of contract performance. It was considered that there must be opportunity with the introduction of more robust contract management arrangements and central oversight to identify further savings in addition to the work being carried out in procurement.

6. In January 2017, a business case was approved by Corporate Management Team to expand the scope and capacity of the Procurement Team and to introduce a contract monitoring function to create the Procurement and Contract Monitoring (“the team”).
7. The team is a central resource consisting of 5.59 FTE members of staff, providing advice and guidance to all council departments on procurement and contract monitoring related matters primarily where the contract value is over £25,000, although the team will be involved in procurements below this threshold where appropriate. The team is also responsible for managing the council’s corporate contracts, for example, stationery, photocopiers and mobile phones.
8. The team consists of professionally qualified procurement and contract monitoring specialists who work closely with commissioners to advise on the most appropriate routes to market, looking for innovative ways to procure whilst keeping the process as lean and efficient as possible.
9. A key role of the team is to help ensure compliance with the Public Contracts Regulations 2015 that implement the EU procurement directives. These apply to the majority of procurements with a total value over a specified threshold. Procurements which are below threshold are not covered by the UK regulations, but are still subject to EU Treaty principles and the council’s own CSOs.
10. Previously, reports presented to the committee had been heavily focused around the activity of the Procurement Board (“the board”). As reported in December 2016, the role of the board changed therefore; the focus of this report has moved away from only being about the activity of the board and now focuses on the general procurement and contract monitoring activity across the council and the operations of the procurement and contract monitoring team.
11. Waivers to CSOs and contract price variations below £100,000 are considered by the procurement team leader and or head of legal services and monitoring officer. For waivers and contract price variations over £100,000, the board will consider the request. The membership of the board comprises head of resources, head of legal services and monitoring officer, procurement and contract monitoring team leader and technical finance manager.
12. On the 1 June 2016, the council introduced a revised set of CSOs and on the 10 November 2016 the council’s Executive approved the new Procurement Strategy which came in to effect on the 21 November 2016. The updated procurement framework has enabled the procurement and contract monitoring team to manage the council’s procurement activity much more efficiently and effectively.

## .STRATEGIC CONTEXT

13. The council's Procurement Strategy, Contract Standing Orders and the activity of the team supports the achievement of the council's priorities as identified within the Corporate Plan 2015 – 2017, particularly in relation to Priority 4 – Ensuring that all resources available to the Island are used in the most effective way in achieving the island's priorities.

### PROCUREMENT ACTIVITY 1 OCTOBER 2016 – 31 MARCH 2017 (Q3 and 4 2016/17)

14. This section of the report sets out details of the procurement activity undertaken within the team. Reporting on the contract monitoring function will also form part of this report as it develops.
15. During the period 01 October 2016 to 31 March 2017 (Q3 and 4 2016/17) a total of 52 procurement processes were initiated through the procurement and contract monitoring team. This ranges from Invitation to Tenders ("ITT"), OJEU ITTs (which are tenders that are run in accordance with the Public Contract Regulation 2015 where a Contract Notice must be published in the Official Journal of the European Union ("OJEU")), Request for Quotations ("RFQ"), call offs and direct awards on framework agreements and waivers to CSOs. **Table 1** shows a breakdown of the number of procurement procedures initiated in the reported period, by directorate. A comparison to the data from 01 April 2016 – 30 September 2016 has also been provided.

**Table 1**

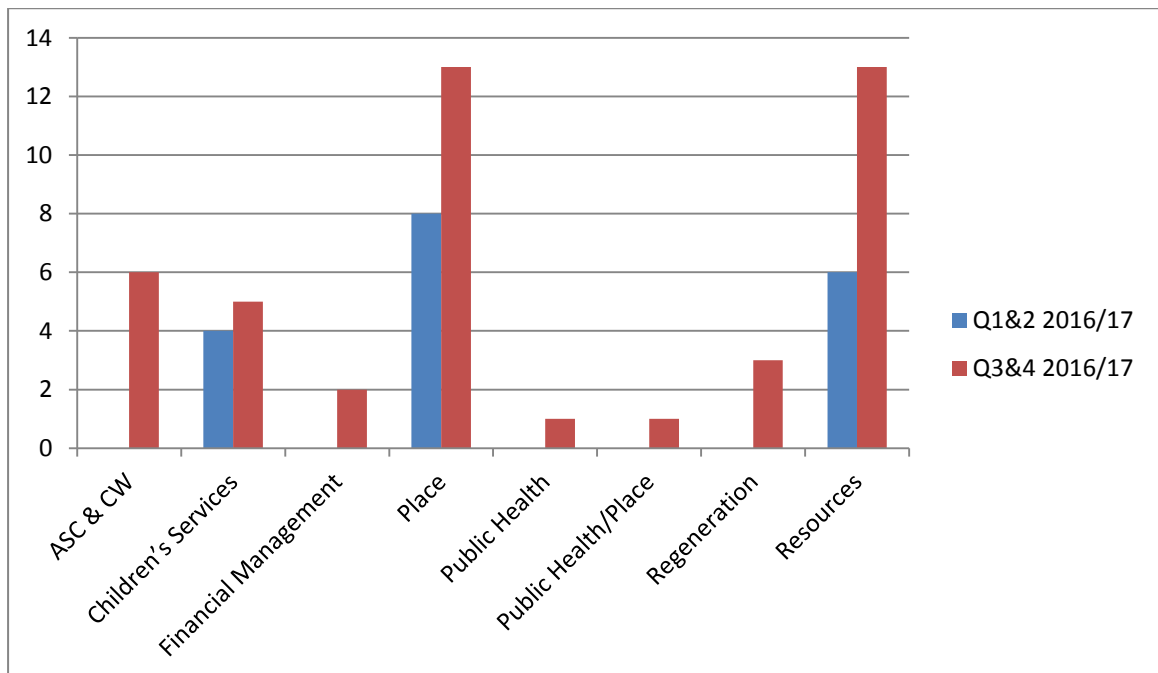
Directorate	Process	Quantity Q3 and 4 2016/17	Comparison Quantity Q1 and 2 2016/17
<b>Adult Social Care and Community Well-Being</b>	Framework Agreement Mini Competition	0	1
	Framework Agreement Direct Award	0	1
	OJEU ITT	1	2
	Waiver	4	3
	<b>TOTAL</b>	<b>5</b>	<b>7</b>
<b>Children's Services</b>	DPS	2	1
	Framework Agreement Mini Competition	0	1
	IWC ITT	6	0
	OJEU ITT	0	1
	RFQ	1	2

	Waiver	1	10
	<b>TOTAL</b>	<b>10</b>	<b>15</b>
<b>Financial Management</b>	Framework Agreement Mini Competition	0	2
	Waiver	1	0
	<b>TOTAL</b>	<b>1</b>	<b>2</b>
<b>Place</b>	Approved Supplier List	0	1
	DPS	0	1
	DPS Call Off	0	1
	Framework Agreement Direct Award	1	1
	Framework Agreement Mini Competition	2	6
	IWC ITT	5	5
	OJEU ITT	0	5
	RFQ	1	2
	Waiver	9	2
	<b>TOTAL</b>	<b>18</b>	<b>24</b>
<b>Public Health</b>	IWC ITT	0	1
	OJEU ITT	2	2
	<b>TOTAL</b>	<b>2</b>	<b>3</b>
<b>Public Health/Place</b>	Waiver	1	0
	<b>TOTAL</b>	<b>1</b>	<b>0</b>
<b>Regeneration</b>	RFQ	2	0
	Waiver	1	0
	<b>TOTAL</b>	<b>3</b>	<b>0</b>

<b>Resources</b>	Framework Agreement Direct Award	3	0
	Framework Agreement Mini Competition	4	5
	IWC ITT	0	2
	OJEU ITT	1	3
	RFQ	0	2
	Waiver	3	3
	<b>TOTAL</b>	<b>11</b>	<b>15</b>

16. During this period a total of 44 contracts were awarded. **Graph 1** below shows a comparison, by directorate, of the number of contracts awarded in Q3 and 4 of financial year 2016/17 to the number awarded in Q1 and 2 of the same financial year. A detailed breakdown of the contracts awarded can be seen at **Appendix A**.

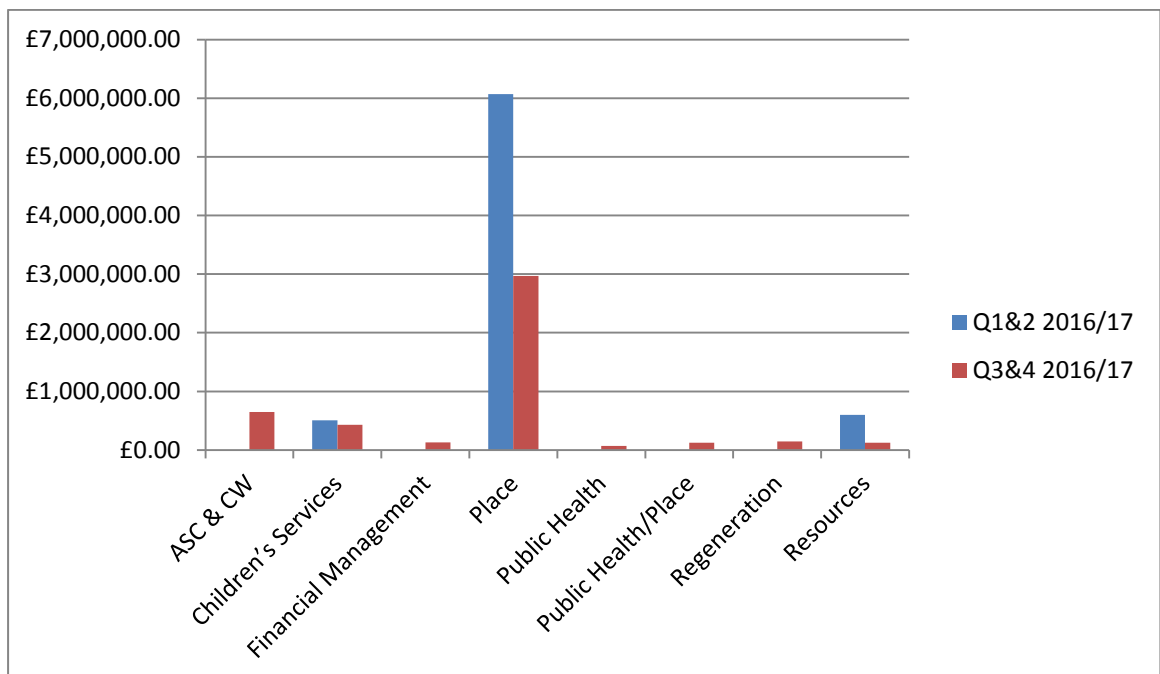
**Graph 1**



17. A large number of the council's contracts commence on the 01 April to tie in with the financial year and we believe this to be a contributing factor to the surge in the number of contracts awarded during this period compared to the last reporting period.
18. **Graph 2** shows a comparison, by directorate, of the value of contracts awarded in Q3 and 4 of financial year 2016/17 to the value awarded in Q1 and 2 of the same financial year. Please note that the values are whole life

contract values over the full potential term of the contract. The committee will note that the total contract award value in the Place directorate was high in Q1 and 2. This was due to the establishment of a Dynamic Purchasing System for the provision of home to school taxi services with a potential whole life term of 10 years, therefore, the potential contract value reflects this term. A Dynamic Purchasing System (“DPS”) is an electronic system through which the Council can source requirements by inviting tenders from suppliers admitted to the DPS. Suppliers can apply to join the DPS at any time in the life of the DPS and all suppliers who meet the selection criteria have to be admitted to the DPS. The DPS then permits the Council to move straight to the tender phase of the procurement process when a contract opportunity arises. Of course, the exact value of the taxi DPS will be dependent on the number of pupils requiring taxi transport per academic year.

**Graph 2**



19. The procurement team maintains a contracts database of contracts with a whole life value of over £25,000. There are currently 167 entries and an overview by Directorate can be seen below labelled **Table 2**.

**Table 2**

Service Area	Number	Annual Contract Value
Place	84	£41,631,942.08
Adult Social Care and Community Wellbeing	14	£7,576,582.98
Children's Services	14	£2,597,650.42

Resources	38	£5,092,834.11
Financial Management	9	£640,662.00
Public Health	6	£3,732,264.31
Fire and Rescue	2	£90,270.00
<b>TOTAL</b>	<b>167</b>	<b>£61,362,205.90</b>

20. Historically, it was the responsibility of service areas to register their contracts on the database and the team are aware that this has led to contracts being missed. In the previous report to committee it was acknowledge that these gaps existed and a commitment was made take steps to remedy this. Responsibility for registering contracts has transferred to the Procurement and Contract Monitoring Team and we have seen the number of contracts registered on the database increase from 124 to 167. It is still acknowledged that there are gaps in the database and the work to capture this information is ongoing. Whilst the number of entries has increased, the total annual value of the contracts registered in the database has decreased by £6,334,495.13. This is partly due to some large capital projects coming to an end but contract savings will also contribute to this.
21. Service areas have the ability to request a waiver of the CSOs. Waivers may be sought in unforeseen or exceptional circumstances but must not be sought for reasons of poor planning nor as a means to by-pass the CSOs, and waivers cannot be given if they would contravene the Public Contracts Regulations 2015 or any other applicable legislation. Waivers may be utilised where it can be demonstrated that the ability to act quickly to engage a single supplier would make economic sense and fit with service requirements, in circumstances where there is no more effective way to secure the capacity.
22. During the period, 20 waivers were submitted and approved. **Table 3** below sets out a high level overview of the waivers with a comparison to the data collated in Q1 and 2. A more detailed list can be seen labelled **Appendix B** which sets out the details of each waiver along with the action plan of how the team propose to prevent waivers of a similar nature in the future, where applicable.

**Table 3**

Service Area	Number Q3 and 4	Value Q3 and 4	Comparison Number Q1 and 2	Comparison Value Q1 and 2
Adult Social Care and Community Wellbeing	4	£551,124.00	3	£180,988.00
Children's Services	1	£118,905.13	10	£1,175,802.00
Financial	1	£96,973.50	0	£0

Management				
Place	9	£631,723.12	2	£229,580.00
Public Health/Place	1	£112,940.98	0	£0
Regeneration	1	£100,000.00	0	£0
Resources	3	£186,378.00	3	£207,802.59
<b>TOTAL</b>	<b>20</b>	<b>£1,798,044.73</b>	<b>18</b>	<b>£1,794,172.59</b>

23. The team have worked very closely with Children’s Services during the reporting period to regularise their procurement methods and to avoid relying on waivers, which is reflected in the decrease of waivers requested from this service area.

### PROCUREMENT STRATEGY 2016-2019

24. The principle purpose of the Procurement Strategy is to set the overall context for procurement and contract management in the council and, by building on existing elements of good practice, to map the future developments and likely improvements in the way the council approaches its procurement and contract management activities as a whole.
25. It is increasingly important that the council ensures value for money and identifies the full potential of procurement and contract management as a tool for delivering the council’s long-term goals set out in the Corporate Plan. The Procurement Strategy sets out how it is proposed procurement and contract management will support the achievement of our objectives over the next three years.
26. The new Procurement Strategy was approved by Executive in November 2016 and has been simplified, removing unnecessary complexities from processes and procedures. The Strategy is based around four key themes – *“Strategic, Supporting Local Economies, Leadership and Modernising Procurement”*.
27. The Procurement Strategy maps out the initiatives to be addressed in the forthcoming three years through the Action Plan which contains objectives against which progress can be measured and reported. The Action Plan and the progress made against the initiatives and objectives can be seen at **Appendix C**.

### PROCUREMENT SAVINGS AND EFFICIENCIES

28. In the last period it was reported that the team had been working with service areas to identify where additional benefits can be achieved when letting contracts, and one of the contracts where this has been achieved is on day buildings maintenance. The agreement that the council has set up can be accessed by schools, town and parish councils, the IW NHS Trust and the CCG among others, and will generate an income for the council based on



the spend put through the agreement. So far five organisations have signed up to use the agreement; Isle of Wight College, Christ the King College, Island Free School, Newport C of E and Summerfields. We are hopeful that this number will continue to increase, especially within the schools and town and parish council's as it offers them a quick and easy route to market to engage with a contractor to maintain the buildings they are responsible for without having to go through their own procedures and company checks, and all parties will benefit from the economies of scale. As spend is made through the agreement the team will be able to report on the income generated.

29. A significant amount of work has been put in to supporting the schools property maintenance team on the delivery of their capital building projects and following the successful delivery of the Barton/Downside project, to time and under budget, the council has been awarded £30m to refurbish or replace seven schools and the team will continue to support this programme.
30. In December 2016 the team worked with the ICT department to procure hardware equipment support and maintenance for existing hardware. By changing the route to market and opening up the specification by not specifying IBM warranties as a matter of course and allowing the contractor to take the risk to purchase IBM warranties when necessary, the annual contract value has been reduced from £115,000 to £41,500 per annum resulting in a saving of **£73,500 per annum**.

#### FINANCIAL / BUDGET IMPLICATIONS

31. There are no direct financial or budgetary implications arising from this report although all procurement decisions directly contribute to the council's total expenditure and therefore any reduction in the amount of spend as a result has a direct beneficial impact on the council's budget position.

#### CARBON EMISSIONS

32. There are no direct implications relating to carbon emissions arising from this report, however, officers will be required when carrying out procurements and awarding contracts to have due regard to the Procurement Strategy in relation to sustainability which covers carbon emissions.

#### LEGAL IMPLICATIONS

33. Procurement by public bodies is subject to a rigorous regulation principally via The Public Contract Regulations 2015 (which came into force on 26 February 2015) and the relevant EU Directives. In addition to the legislation the council has its own contract standing orders. The council is also required to comply with other legislation when carrying out procurements, for example that relating to equality and social value.
34. All procurements with a whole life value over £25,000 are overseen by the team ensuring robust governance of the council's procurement activity.

#### RISK MANAGEMENT

35. Failure to observe the relevant legislation and the council's contract standing orders has the potential to pose a significant threat to the council's financial health and reputation. Such risk could take many forms including the risk of legal challenge resulting in significant financial penalties and the potential for negative publicity together with the risk that a contract could be deemed to be void.

#### EQUALITY AND DIVERSITY

36. The council, as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
37. There are no direct equality and diversity implications arising from this report. However, officers will be required when carrying out procurements and awarding contracts to have due regard to the Procurement Strategy in relation to Equality and Diversity considerations.

#### RECOMMENDATION

38. The committee is asked to note the report.

#### APPENDICES ATTACHED

**Appendix A** - Contracts Awarded in the period 01 October 2016 – 31 March 2017  
(Q3 and 4 2016/17)

**Appendix B** – Details of waivers approved in the period 01 October 2016 – 31 March 2017 (Q3 and 4 2016/17)

**Appendix C** – Procurement Strategy Action Plan Progress

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# APPENDIX A

## APPENDIX A - Contracts Awarded in the period 01 October 2016 – 31 March 2017 (Q3 and 4 2016/17)

Directorate	Contract	Value
<b>Adult Social Care and Community Well-Being</b>	Community Occupational Therapy Services	£385,000.00
	Interim Market Commissioner	£25,00.00
	Assessment and Care Management Commissioning Manager	£25,000.00
	Short Term Equipment Loan Service	£82,685.00
	Consulting and Management Services – Market Position Statement	£33,349.00
	Pre-Paid Card Services	£97,500.00
<b>TOTAL</b>	<b>6</b>	<b>£648,534.00</b>
<b>Children's Services</b>	Broadlea Primary Window and Doors Replacement	£189,057.09
	Binstead Primary Calorifier	£12,500.00
	Broadlea Primary Pipework	£72,176.27
	Bembridge Primary Roof	£36,925.00
	CAPITA EMS/ONE Maintenance Contract	£118,905.13
<b>TOTAL</b>	<b>5</b>	<b>£429,563.49</b>
<b>Financial Management</b>	Banking Services	£32,916.00
	Actuarial Services and Investment Consultancy Services to Isle of Wight Council Pension Fund	£96,973.50
<b>TOTAL</b>	<b>2</b>	<b>£129,889.50</b>
<b>Place</b>	Concessionary Fares Back Office System	£81,000.00
	Cash Collection	£20,000.00
	Appraisal and Scheme Identification Studies for Lot 1 Sandown Bay and Lot 2 Ventnor Coast	£117,974.20
	Access Management Fund Programme Management	120,000.00
	Day to Day Building Maintenance	£2,000,000.00
	Support and Hosting of a web based	£69,000.00

	database to manage housing register, housing advice and homelessness	
	Technical, Legal and Financial Support in respect of the termination of the Energos Sub-Contract	£150,000.00
	Supporting People accommodation and community based support services for people experiencing domestic violence	£102,112.59
	Demolition of Sandham Middle School	£123,810.53
	New fire alarm system – Seaclose offices	£25,500.00
	One Public Estate - Services and Assets Delivery Plan	£50,000.00
	Old Park Road, St Lawrence Water Connection	£77,300.00
	One Card Contract Memberships	£34,000.00
<b>TOTAL</b>	<b>13</b>	<b>£2,970,697.32</b>
<b>Public Health</b>	Workplace Healthchecks	£70,000.00
<b>TOTAL</b>	<b>1</b>	<b>£70,000.00</b>
<b>Public Health/Place</b>	Supported Rooms for (A) the purpose of detoxification and (B) continuation of Supporting People accommodation based support services for people with alcohol and/or substance misuse	£122,940.98
<b>TOTAL</b>	<b>1</b>	<b>£122,940.98</b>
<b>Regeneration</b>	Regeneration Project Support	£100,00.00
	Architectural and Masterplanning Consultancy Feasibility Services - Newport Harbour and County Hall Car Parks	£24,900.00
	Architectural and Masterplanning Consultancy Feasibility Services - Nicholson Road, Ryde	£19,800.00
<b>TOTAL</b>	<b>3</b>	<b>£144,700.00</b>
<b>Resources</b>	Wightcare Pool Cars	£40,630.92
	Mainland Car Hire	£28,000.00
	Communications Software (GovDelivery)	£11,748.00

	Legacy Hardware Equipment Support and Maintenance	£166,000.00
	Provision of Enforcement Agent and Debt Collection Services via Enforcement Agent and Debt Collection Services	Zero cost to council
	Microsoft Enterprise Licences	£155,727.00
	Office Supplies	£102,710.40
	Annual Billing for Council Tax and National Non Domestic Rates, and Electoral Registration	£344,688.00
	Framework for the Provision of Fire Extinguishers and Associated Equipment	£67,531.00
	SIP Trunks and Associated Telephony Services	£118,720.05
	Risk Based Verification for processing New Benefit Claims	£24,000.00
	SAP PSLE Licence Maintenance and Technical Product Support	£102,378.00
	Office Waste	£60,000.00
<b>TOTAL</b>	<b>13</b>	<b>£1,222,133.37</b>

# APPENDIX B

## APPENDIX B - Details of waivers approved in the period 01 October 2016 – 31 March 2017 (Q3 and 4 2016/17)

Contract Title	Service Area	Total Value (for entire duration of contract)	Contract Term	Reason for Waiver	Long Term Action Plan
Demolition of Sandham Middle School	Place	£123,810.53	October 2016 to December 2016	The waiver was sought on the basis of a genuine emergency with a real and imminent risk to safety.	This is a one off contract.
Contract for Supporting People accommodation and community based support services for people experiencing domestic violence	Place	£102,112.59	01/04/2017 to 31/03/2018	The waiver was required to allow the accommodation and community based services for people experiencing domestic violence to be continued whilst the integrated re-commissioning process with the Office of the Police and Crime Commissioner (OPCC) is undertaken, including the community consultation.	The procurement team are currently working with the service area and the OPCC with regard to the integrated commissioning.
Contract for Supported Rooms for (A) the purpose of detoxification and (B) continuation of Supporting People accommodation based support services for people with alcohol and/or substance misuse	Place and Public Health	£112,940.98	01/04/2017 to 31/03/2018	Waiver was requested to allow time to explore how the service will continue to be funded either through the possibility of subsuming the contract within the wider substance misuse service along with Public Health or whether to re-commission as an independent service once the budget ongoing for 2017/18 has been finalised.	The procurement team are currently working with the service area with regard to the commissioning.
Community Occupational Therapy (OT) Services	Adult Social Care and Community Well-Being	£385,000.00	01/01/2017 to 31/07/2017	The purpose of the waiver was to permit the continuation of the current service whilst the tender process is undertaken. The provision of OT assessments is part of the council's statutory obligations and must be undertaken.	The procurement team are currently working with the service area with regard to the commissioning.
SAP PSLE Licence Maintenance and Technical Product Support	Resources	£102,378.00	01/01/2017 to 31/12/2017	The waiver was sought on the grounds of compatibility. The future of the SAP system is currently under review and due to the level of integration in to business processes across the Council, the continued use of the system is required while the review takes place.	The procurement team are currently awaiting further instruction from the service area following completion of the review.

Interim Market Commissioner	Adult Social Care and Community Well-Being	£25,000.00	01/10/2016 to 28/02/2017	The consultant was originally recommended by the LGA and it was felt that it would be counterproductive to bring in a different consultant who would not be familiar with the council and its partners. With the significant programme of change within adult social care in relation to health and social care integration it is still not possible to be definitive of what the senior management requirements will be in this area. Equally there remains the requirement for the delivery of the Council's statutory duties that without maintaining the existing resource of the current Interim market development commissioner.	This is a one off contract.
Office Waste	Resources	£60,000.00	01/04/2017 to 30/09/2017	Historically, each department was responsible for securing their own building waste arrangements; however it was recognised that efficiencies can be made by centralising the management of office waste. A wavier was requested to ensure sufficient time is available to identify each buildings requirement before sourcing the required services via a competitive procurement process.	The management of the contract has since transferred to the procurement team and they are currently working on the procurement of a centralised office waste contract.
Risk Based Verification for processing New Benefit Claims	Resources	£24,000.00	01/04/2017 to 31/03/2020	Market testing of other products was carried out however no other known system was found to be compatible with the Council's systems. The RBV application is tried, tested and compatible to both the Council's online application and Northgate processing system.	Market testing will be carried out again when the current contract is due for renewal. This will be done in conjunction with the procurement team and the most appropriate route to market will be agreed at the time.
Assessment and Care Management Commissioning Manager	Adult Social Care and Community Well-Being	£25,000.00	04/11/2016 to 31/03/2017	The contract is required for bespoke support for intense working to ensure performance improvements in assessment and care management.  This role relates to continuing support, at an individual level, for the senior manager in relation to safeguarding, risk management and decision-making. Sourced through the LGA network this	This is a one off contract.

				island based resource has been supporting operational practice and is reducing now to focus on specific needs for individual support, review and coaching in this critical area	
Support and Hosting of a web based database to manage housing register, housing advice and homelessness	Place	£69,000.00	11/10/2016 to 10/10/2019	<p>Market testing was carried out however, a suitable route to market could not be identified. The waiver was requested due to the investment made in the system to date and the ongoing contributions from the other Housing Associations who use the system.</p> <p>Of the £69,000 contract value, £46,000 will be reclaimed by the Council from the Housing Associations.</p>	Market testing will be carried out again when the current contract is due for renewal. This will be done in conjunction with the procurement team and the most appropriate route to market will be agreed at the time.
New fire alarm system – Seaclose offices	Place	£25,500.00	01/03/2017 to 31/03/2017	The original anticipated project value was below £25k so three quotes were requested from local suppliers (without advertising). All quotes came in at over £25k but given that the successful contractor was only £500 over the threshold a waiver was sought.	This is a one off contract.
Short Term Equipment Loan Service	Adult Social Care and Community Well-Being	£82,685.00	01/06/2017 to 31/05/2018	<p>Currently the incumbent service provider is the only provider who loan essential aids of daily living directly to the people who live in our local community.</p> <p>A full review of all areas of equipment provision is being carried out and the waiver will allow the necessary changes to be implemented within a 12 month period.</p>	The procurement team are currently awaiting further instruction from the service area following completion of the review.
One Public Estate - Services and Assets Delivery Plan	Place	£50,000.00	02/11/2016 to 16/12/2016	The Council submitted a bid for funding from the Cabinet Office to deliver a joined up approach to the use of public assets on the Island. Notification of the bids success was received and required the Council to submit a fully detailed proposal by 16 December 2016. It was not practical or feasible given the timescales to seek tenders and the Supplier has already assisted in the development of the bid	Support to the OPE programme has been required beyond the scope of this waiver and there is currently a tender out to market to secure ongoing project management support.



				and has established relationships with key public sector partners which will ensure the best chance of success in the time allowed.	
Regeneration Project Support	Regeneration	£100,000.00	01/12/2016 to 31/03/2017	The Supplier was contracted by LGA Peer Group Review to support the Council and develop a regeneration programme. They are currently finalising a regeneration strategy for the Council. There are critical time constraints for this work and the Council considers it imperative that the current momentum is not lost between the production of the regeneration strategy and the appointment of the new regeneration team.	Ongoing Support to the regeneration programme has been required beyond the scope of this waiver and the procurement team are currently working with the service area to procure the support required.
CAPITA EMS/ONE Maintenance Contract	Children's Services	£118,905.13	01/04/2017 to 31/03/2018	The planned formal tender process for the EMS/ONE system was unable to take place due to resources and high priority work. An extensive piece of work has been undertaken on the needs of the business and the requirements of a replacement package. IT will now need to look at these requirements and determine the level of hardware needed.	The procurement team are currently awaiting further instruction from the service area following completion of the review.
Old Park Road, St Lawrence Water Connection	Place	£77,300.00	15/12/2016 to 28/02/2017	Five properties in the area required connection to mains water replacing their spring water supply from IWC owned land. The properties had to use bottled water due to concerns following an environmental health inspection. The work needed to be carried out urgently and Southern Water would only accept connection made via their approved service.	This is a one off contract.
Consulting and Management Services – Market Position Statement	Adult Social Care and Community Well-Being	£33,439.00	14/11/2016 to 01/03/2017	The Supplier was originally commissioned by the Interim Director of Adult Social Services. The original contract had a whole life value of £13,430 and the requirement to seek 3 quotes was waived by the service manager as the Supplier was uniquely placed to provide the assistance sought.	This is a one off contract.

				Following the appointment of the Director of Adult Social Services and after further discussions with the CCG, the scope of work increased and the incumbent Supplier was best placed to deliver the additional services as these build on the work already commissioned.	
One Card Contract Memberships	Place	£34,000.00	01/01/2017 to 31/12/2020	The contract was previously tendered in the open market. The Supplier processes 1200 direct debits a month and a change of supplier is not deemed feasible due to the impact to the members of the public who have the direct debits set up.	Market testing will be carried out again when the current contract is due for renewal. This will be done in conjunction with the procurement team and the most appropriate route to market will be agreed at the time.
Actuarial Services and Investment Consultancy Services to Isle of Wight Council Pension Fund	Financial Management	£96,973.50	01/04/2017 to 31/03/2018	Time pressure for both Council and prospective suppliers, given existing work being undertaken in triennial valuation of LGPS funds resulted in the waiver being sought. Expectation to use National LGPS frameworks to undertake procurement in 2017-18, for commencement 1 April 2018	The procurement team is currently working with the service area to re tender the contracts.
Technical, Legal and Financial Support in respect of the termination of the Energos Sub-Contract and the evaluation of alternative technologies and contractual implications	Place	£150,000	21/02/2017 to 31/05/2017	Permission was sought to enable the Council to go to its advisors from the procurement phase of the Waste Project due to their background and knowledge of the project.	This is a one off contract.

# APPENDIX C

## APPENDIX C - Procurement Strategy Action Plan Progress

PROCUREMENT ACTION PLAN October 2016 – October 2019			
Strategic Theme	Action	Target Date	Progress
Strategic	Implement a corporate approach to contract management, maximising value from contracts through proper relationship management by centralising contract management activity and implementing a system to monitor contract performance.	September 2018	<b>5% complete.</b>  <b>Update:</b>  Contract monitoring module (add on to existing e-tendering system) has been purchased and is being tested. Training with supplier has been organised so the team can fully understand the capabilities of the system.
	Move to category management delivery model for procurement and contract management activity.	July 2017	<b>90% complete.</b>  <b>Update:</b>  Business case to move to a category management model approved in January 2017. Categories have been identified and procurement officers have each been allocated a category. New model of working will be fully functional from July 2017.
	Review performance monitoring by participating in national benchmarking exercises.	Annually in July	CIPFA benchmarking exercise completed in July 2016. Next one due in July 2017.
Supporting Local Economies	Revise guidance on the Council's website about doing business with the Council.	November 2016	<b>100% completed.</b>  <b>Update:</b>  Web pages have been updated giving clearer guidance on how to bid for council contracts.
	Refresh and publish online a Forward Plan of proposed procurements to promote future contract opportunities.	September 2017	<b>0% complete</b>
	Engage with relevant stakeholders and service users to ensure that needs analysis and design of specifications reflects community requirements and recognises the contribution of existing local services.	Ongoing	Ongoing work with commissioners to ensure consultation and engagement is carried out where relevant.
	Appoint a Social Value champion to provide leadership on issues relating to social value.	January 2017	<b>100% complete.</b>  The team leader of the Procurement and Contract Monitoring Team has assumed this role within their existing position.

	Run a series of workshops with the supply base i.e. "Tendering for Council Contracts".	Commence April 2017	The team have run three sessions since April 2017.
<b>Leadership</b>	Develop and deliver a targeted training programme for officers undertaking procurements.	Commence July 2017	First training session delivered in May 2017. Further development and roll out of the training programme will commence in July 2017.
	Develop and deliver a targeted training programme for officers managing contracts.	September 2018	
	Attend regional procurement forum meetings.	Ongoing	The council is a member of the Hampshire and Isle of Wight Procurement Partnership. The next meeting of the group is in September 2017.
	Review impact of evolving procurement legislation and make necessary changes to existing approaches.	Ongoing	
<b>Modernisation</b>	Review scope for and deliver framework agreements accessible to local partner organisations to consolidate spend.	In progress with first to go live in November 2016	Service, repair and maintenance of fire extinguishers and associated fire safety equipment went live in Nov 2016.  Day to day buildings maintenance framework agreement went live Dec 2016.
	Revise template documents and guidance with intention of promoting scope for innovation by the market in appropriate procurements.	December 2016	<b>100% complete.</b>  All procurement documentation has been revised.
	Further development of the e-tendering system to include supplier evaluation and contract monitoring.	September 2018	<b>5% complete.</b>  The contract monitoring module has been purchase and preliminary testing is being carried out.
	Explore innovative contract delivery models, particularly around the use of Dynamic Purchasing Systems, Approved Supplier Lists.	Ongoing and in progress	Dynamic Purchasing Systems being progressed/in operation: <ul style="list-style-type: none"> <li>• Home to school taxi provision</li> <li>• Apprenticeship levy and training</li> <li>• Traineeships</li> <li>• Children's domiciliary care</li> <li>• Pharmacy and GP services</li> <li>• Alternative education provision</li> <li>• Deprivation of liberty assessments</li> </ul> Approved supplier lists:

			<ul style="list-style-type: none"><li>• HALS (Housing Association Leasing Scheme)</li></ul> <p>Other:</p> <ul style="list-style-type: none"><li>• ICT desktop hardware and peripherals – traditionally set up long term supply contracts for the provision of these goods. Found that pricing became stagnant very quickly so changed procurement method to buying the specific requirement from crown commercial catalogue which has resulted in a saving of £21,333 from the first purchase</li></ul>
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