

Social Fund Replacement Task and Finish Group

Witness Summary: Maria Schingen (Product Portfolio Manager), Plymouth City Council

The City Council's Strategic Procurement Unit offers advice to staff and suppliers on all aspects of procurement and contractual matters. The team is working to make the Council's procurement processes and procedures as efficient and user-friendly as possible to make the maximum possible savings for the Council.

Plymouth City Council staff must follow the rules outlined in our Contract Standing Orders when purchasing goods, works or services and staff are asked to contact the Procurement Team if they intend to procure goods or services valued above £100,000.

The Regulations apply if the estimated value of a contract exceeds the thresholds set out in the Regulations. The new EU Procurement Thresholds 2012 are as follows:

- Supplies: £173,934
- Services: £173,934
- Works: £4,348,350

These Regulations are legally binding on the Council and it is illegal to break up contracts to avoid the application of the European Regulations.

The Regulations require the Council to advertise contracts in an electronic publication called the Official Journal of the European Union (OJEU). The Strategic Procurement Unit will arrange for the advertising of contracts.

The Procurement Team had been asked to work with officers in Social Inclusion to engage the market and establish its appetite to provide the types of goods and services required to deliver the Social Fund Replacement Scheme. Between 7,000 and 10,000 organisations were contacted, 4,000 of which were registered on the Council's 'sell to Plymouth' portal, including a number of local charities. Despite this, only nine organisations expressed an initial interest in contracting for this service.

It was difficult to know how much in total the contract would be for so the exercise had been undertaken based on an estimate in excess of £300k over its two year life.

It was acknowledged that many third sector agencies were put off from tendering for goods and services because they viewed the process to be too involved or complicated. As a means of overcoming this, the Council does provide training through Communities and Social Action Plymouth (CASAP) to provide them with the support needed to compete for contracts. In addition, whilst terms and conditions remain the same for every tendering process, simpler contracts are available for smaller orders.

There was no obligation on the Council to accept the lowest tender as other factors can be taken into consideration such as suppliers who use less carbon, local apprentices etc.