

PLYMOUTH CITY COUNCIL

Subject: Contract Standing Orders
Committee: Audit Committee
Date: 15th March 2018
Cabinet Member: Cllr Darcy
CMT Member: Andrew Hardingham
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Ref: TBC
Key Decision: No
Part: I

Purpose of the report:

A transformational change project is being undertaken in the Procurement Service Function to make it leaner, more efficient, fit for purpose and enable it to focus more strategically on the needs of its clients, which will in turn benefit the city and its citizens. There are a number of work streams being looked at as well as a number of quick wins; the first of which is responding to client feedback by implementing self-service for lower level transactions.

We are proposing an amendment to section H of the Constitution which will enable officers across PCC to self-serve up to the value of £25,000 within an approved process. Low value spend (less than £25,000) will be managed through a self-service portal. This will empower front line staff to self-serve and will allow goods/services to be procured quicker within the Contract Standing Orders rules.

By implementing self-service we can refocus the efforts of the Procurement Services Function which will:

- Enable the delivery of a fit for purpose Procurement Services Function focusing on value adding activities for the benefit of delivering the city's outcomes for its customers and citizens.
- Permit procurement resource to focus on value-add/strategic procurement activities which will enhance the opportunities to deliver savings or secure best value.
- Allow the team to be more visible with individual departments which in turn will develop relationships and allow the service to be proactive rather than reactive.
- Free up time for the team members to upskill and progress, ensuring resilience within the Procurement Services Function driving succession planning, more consistency for a better relationship with the other function's clients.

Corporate Plan 2016-2019:

Pioneering Plymouth- This project fully supports this vision and new leaner ways of working, providing innovation, empowerment and delivering procurement services that are flexible, accountable and efficient.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

As this is a change to internal business process, the changes to systems and delivery of training will be met within existing resources.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

Ensure and maintain compliance

- Robust communication plan
- In depth user training and on-line guidance will be developed
- Individuals who require access to the system will not be given log in until they have completed and passed an on-line training module.
- Improve the awareness of Contract Standing Orders.
- Internal Audit will undertake spot checks to monitor compliance.

Recommendations & Reasons for recommended action:

The recommendation is for the audit committee to support the amendments to the constitution and to endorse this through to Constitutional Review Group and Council. This will devolve the low level spend below £25,000 to front line staff from the go live date - 1st Aug 2018.

This will enable the Procurement Service Function operate more strategically and deliver a fit for purpose service.

Alternative options considered and reasons for recommended action:

Do nothing- Remain as is

The Procurement Services Function would be unable to provide the skilled resource who would otherwise be focusing on providing strategic added value and thereby benefiting the council.

Background papers:

Brief Report with amended and marked up version of Section H of the Constitution- Contract Standing Orders (attached).

Sign off:

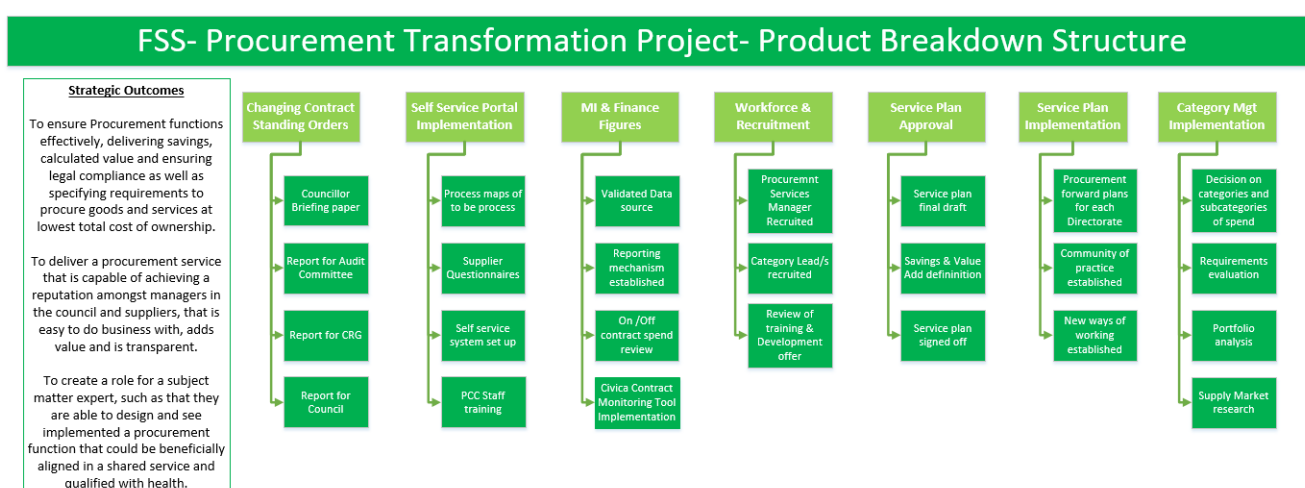
Fin	pl171 8.223	Leg	ALT/ 2306 7	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member Andrew Hardingham											
Have you consulted the Cabinet Member(s) named on the report? Yes											

REPORT

BACKGROUND

Following the review of the Procurement Services Function it was highlighted that work was needed to better understand the function's offer to the business. It became apparent that a transformational review of the service would be beneficial to make the function more efficient and fit for purpose. It is understood that by making changes and focussing the function more strategically on the needs of its clients, then benefits would be seen both internally to the council and externally to the city and its citizens.

The transformation project has a number of work streams being looked at as well as identifying quick wins. The first of which is responding to client feedback by implementing self-service for lower level transactions.



CHANGES TO CONTRACT STANDING ORDERS

In the first work stream of this project we are proposing an amendment to section H of the Constitution which will enable officers across PCC to self-serve up to the value of £25,000 within an approved process. Low value spend (less than £25,000) will be managed through a self-service portal. This will empower front line staff to self-serve and will allow goods/services to be procured quicker within the Contract Standing Orders rules.

SUMMARY OF THE PROPOSED AMENDMENTS

- Up to £500 no change- option to use Purchase Card. A review of Purchase Cards will be undertaken as part of a separate work stream.
- £501-£5,000 one quote- self serve using financial system
- £5,001-£25,000 three quotes- self serve using financial system

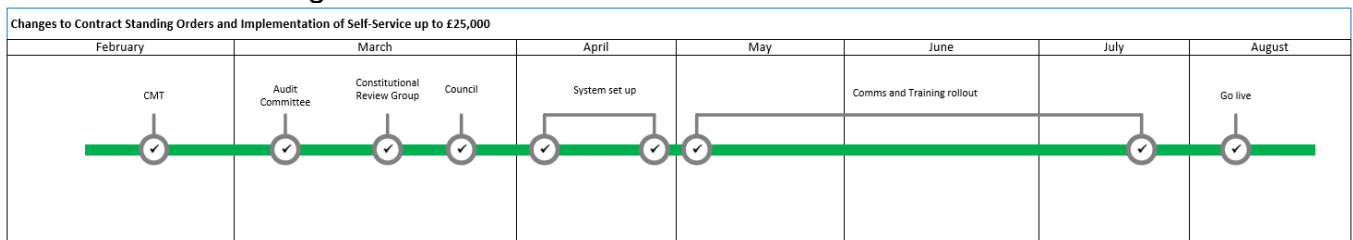
- £25,001 no change to the process. Purchase requisition sent to the Procurement Team (Requisition soon to be an on-line Firm step form)

CONDITIONS TO MITIGATE RISK WITHIN THE PROCESS

- Procurement Services function will authorise approval of all new suppliers (this will ensure the Council maximise existing contracts/frameworks already in place).
- Creditors will continue to undertake the due diligence on all new suppliers which ensures clear separation of duties.
- Internal Audit will be asked to undertake spot checks to monitor compliance.
- Full user training and on-line guidance will be developed. It is the intention that access to the self-service system will only be given to individuals who undertake and pass the on-line training module (yet to be developed).
- A robust communication plan will be developed to ensure all staff are aware.

TIMESCALES

It is proposed that following a robust communications and training plan, the self-service portal will go live to all staff on 1st August 2018.



CHANGES TO BE APPROVED

Attached are the marked up version of Section H of the Constitution- Contract Standing Orders.