

Working with Members to support the local economy

Jonathan Campbell
Procurement Strategy Manager
East Sussex County Council

Introduction

- East Sussex- the County overall economy
- East Sussex-the Districts & Boroughs-differences between
- Brighton & Hove City Council-unique place
- Council services and spend

East Sussex Expenditure sample data

- Analysis of capital and revenue expenditure across 5 District and Borough councils
- Approx £160m expenditure
- Over 8000 suppliers
- 32% of expenditure with East Sussex based suppliers, further 6% with West Sussex suppliers

Local Government & the SME Concordat

- Sets out the principles under which East Sussex councils will operate in their approach to and dealings with SMEs
- Uses procurement to deliver Council Corporate and Local Objectives
- Implemented across Sussex

Councils main areas of expenditure

County Councils

- Education
- Social Services
- Highway maintenance
- Libraries
- Grounds maintenance (Schools, other buildings and verge cutting)
- Property (new build and maintenance)
- Vehicle fleet purchase and maintenance
- Agency Staff
- Print, postage and mail fulfilment
- ICT
- Materials and equipment

Councils main areas of expenditure ctd

District/Borough Councils

- Waste/Recycling Collection & Street Cleansing
- Grounds Maintenance (parks/open spaces)
- Leisure Services (including catering operations)
- Property (new and maintenance)
- Housing (Bed & Breakfast or maintenance)
- Vehicle fleet purchase and maintenance
- Agency Staff
- Print, postage and mail fulfilment
- ICT
- Materials and equipment

Councils scrutiny of services

- The search for Best Value
- The role of Members
- The role of Scrutiny Committees
- Different Committees-
Health, Social Care,
Community, Transport etc
- The scope of reviews
- The Scrutiny review of SME
Procurement 2009-10

SME Procurement Scrutiny Committee

- Scope
- Evidence from officers
- Evidence from experts
- Evidence from contractors
- Evidence from potential suppliers
- Evidence from relevant reports
- Findings
- Recommendations
- Action Plan

Likely findings

- Quite a lot of business being done with SMEs
- Most ad hoc- with Small/ Micros, less under contract and if so likely to be Medium
- Some services dependent on local market, others not
- Potential for sub-contracting not fully explored

Likely findings ctd

- No clear explanation on how to become an approved supplier/ how a Select List/ Framework Agreement works and how to get on it etc
- More simplicity, accessibility and transparency needed re business to be done and warm-up opportunities
- Difficulties with PQQ short listing (financial appraisals and public liability insurance etc) and adequate debriefings

Likely Recommendations

- Taking Glover into account as well.....
- -use single opportunities portal
- -take opportunities for market warm-up
- Have transparency on Select Lists
- And on Framework Agreements
- Review sub-contracting opportunities
- Go for single PQQ (with some flexibility re Financial Appraisals and PL Insurance)
- Offer better debriefings
- Arrange faster payment terms
- Etc etc

An example of improvement- the challenge of Framework Agreements

- Councils are being encouraged to collaborate and do more with less resources
- Significant number of new Local Authority contracts are therefore being let as “Framework Agreements” often on a regional or national basis
- Attractive to Councils
 - Limited Procurement resource
 - Remove requirement to tender
 - Use less staff resource and time
 - Generally deliver better prices through aggregation
- Examples used by Sussex councils this year – stationery, cleaning materials, furniture, ICT, vehicles, telecoms, construction projects

Framework Agreements ctd

Cannot fulfil contract requirements? Suppliers may wish to consider:

- **Partial Bid:** many framework agreement allow suppliers to bid for individual Lots or specific elements of the requirement.
- **Joint Bid:** work in partnership with another supplier to submit a bid. Might wish to do this in order to meet minimum financial requirements or to fulfil entire specification
- **Work as a sub-contractor:** Councils working with Prime Contractors seeking to open up their supply chains and provide opportunities for local SMEs

A summary Action Plan from a Scrutiny review

- All Council departments review approach (and earlier) to local markets
- Single opportunities portal subscribed to by all departments
- Total transparency on how to do business/ how we do business
- Single approach across East Sussex
- Members working with Officers to achieve

Questions?