

Contract Management and Procurement Update

13 October 2022

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[wolverhampton.gov.uk](https://www.wolverhampton.gov.uk)

Contents

- Current Legislative position
- Update on our key workstreams
 - Wolverhampton Pound
 - Contract management project
 - Benchmarking
 - Systems improvements

Procurement Bill Background

- The government released the Procurement Bill 2022 into Parliament on 12 May 2022.
- The Bill sets out the government's vision for a more effective public procurement regime following on from the Green Paper on procurement reform and the consultation response issued in December 2021.
- The Bill will now pass through the Parliamentary process before its expected implementation in early 2023, there will be a 6 month transition period.

Procurement Bill What Is Changing?

- Far more discretion in the design of processes, this will allow for greater flexibility on how we run tenders.
- The Bill enhances the requirement to deliver value for money, maximise public benefit, sharing information and acting with integrity.
- Enhances the requirement for better contract management, officer skills and reporting of supplier performance. The legislation is reinforcing the need for good contract management, skilled officers and clearer reporting.

Procurement Bill What Is Changing?

- Provides a discretionary ground to exclude suppliers for serious poor performance where this has led to early termination, payment of damages or similar.
- Pipeline Notice – the Council is required to publish an annual notice no later than 56 days following the first day of the relevant financial year. This is discussed further under the Wolverhampton Pound.

Procurement Bill Resources

- The new Bill supports a number of key workstreams that are already being developed, however these changes will require significant resource to implement which will include:
 - Review of the Bill by the Head of Procurement supported by senior members of the Procurement team and where applicable Audit and Legal Teams
 - Making required changes to the internal governance process within the constitution
 - Making required changes to the operational processes within the Procurement team
 - Training Procurement team on new legislative requirements.
 - Training internal stakeholders on new processes
- The will require an interim resource ask for a project team to support the Head of Procurement

Wolverhampton Pound

- Recommendations already completed:
 - Application of market forces for Procurement Business partner roles and successfully recruited to 2 vacancies
 - Repayment of fees for professional qualifications – 2 Procurement managers will be starting courses shortly
 - Development of a landing site for Procurement roles (<https://www.wolverhampton.gov.uk/jobs-and-careers/recruitment-procurement>)
 - Publication and ongoing updates for the procurement pipeline – the Council came first in our cohort on the CCIAF evaluation for pipeline planning which will be discussed further in the slide deck
 - Now moving away from utilising framework agreements where possible to offer opportunities in open competition to support the local supply chain.
 - All quotes between £10,000 and £75,000 are now sent to at least 2 local suppliers, if available within Wolverhampton if not the wider combined authority.

Wolverhampton Pound

- Recommendations requiring further work:
 - Collaboration with the University on engaging students around careers in Procurement and if there is an opportunity for the University to provide professional training for the Chartered Institute of Procurement and Supply.
 - Ongoing work to look at how balancing risk more evenly between the Council and suppliers, being facilitated by internal audit.
 - Ongoing work to look at how we can reduce bureaucracy in the Procurement processes
 - A job description for the Head of Wolverhampton Pound has now been created and will be advertised in October

Wolverhampton Pound

- Anchor Network
 - Further meeting setup with the Head of Procurement at the University to look at collaboration
 - Discussions are continuing to align our ways of working and explore with relevant officers across the anchor network to support a more collaborative approach.

Wolverhampton Pound

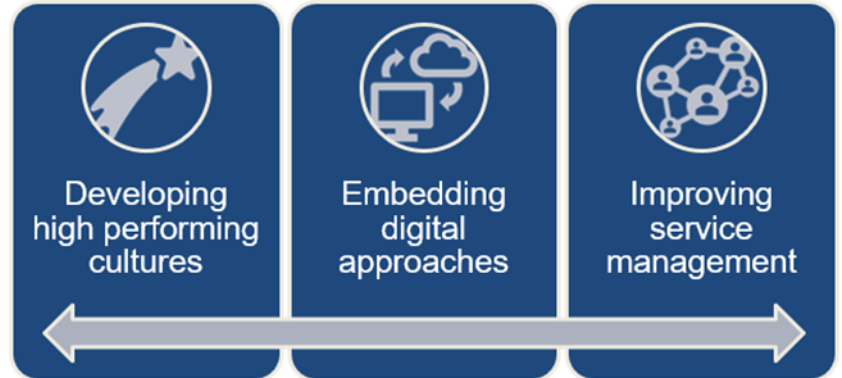
- Procurement Recruitment
 - 2 Procurement Buyer posts have just been filled as part of our grow our own approach one was previously a graduate trainee, previous buyer has now been promoted to Procurement Manager
 - 2 out of the 3 Procurement Business Partner vacancies (IT and Social Care) have been filled, one is an internal and one is an external candidate
 - Procurement Business Partner Construction remains a significant challenge to fill even with the market forces supplement, we are currently investigating new approaches to this.
 - A number of Procurement manager vacancies will be advertised shortly along with an apprentice role which will be initially reserved for care leavers as part of our corporate parenting approach.

Wolverhampton Pound

- Training
 - All team members have the opportunity to obtain the relevant Procurement professional qualifications if they so desire and this is directly linked to opportunities for promotion within the team. The Council came third in our cohort for our procurement training offer on the CCIAF assessment.
 - Both newly appointed buyers are now starting a level 4 Procurement qualification
 - 2 Procurement managers will be shortly commencing level 5 and 6 Procurement qualification.

Contract Management Project objectives

- Legal Framework:
 - New Procurement Bill
- Strategic level:
 - Council Plan
 - Wolverhampton Pound
 - MTFS
 - Social Value Strategy
 - Sustainability Framework
 - Equalities Framework
- Officer level:
 - Improving capability through skills and knowledge



Project areas

- **Training**

- Mandatory Foundation Training
 - 176 officers for their role
 - 69% completed training (end of September)
- Practitioner Level
 - 10 places funded through DLUC and CCS

- **Framework and Toolkit**

- Developing templates

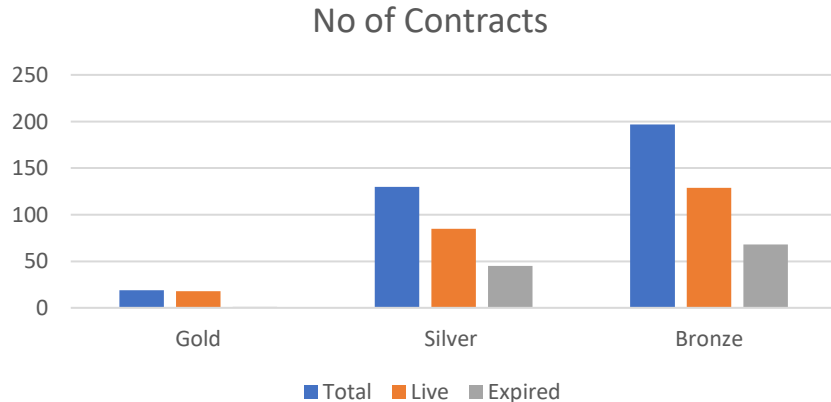
A COMPLETE OVERVIEW OF CONTRACT MANAGEMENT



Contracts Review – Contract Lifecycle Management Review

Current Status

- Commenced with contracts identified as Live in the contracts database.
- 346 contracts identified for review.



- Categorisation - Gold / Silver / Bronze categories currently determined by value only.
- Deeper Dive Contract Review and discussions with Contract Managers underway

Initial Findings

- Mixed approach
- bespoke and targeted training
- System will improve visibility, data, contribute to performance management
- Clearer contract structure
- Need to add greater focus & performance management around Social Value & Modern Slavery, climate change and Equalities

Legal Update

- Reviewing terms and conditions (legal documents) as they need to be clearer.

HR Update

- Job Descriptions are being updated to reflect contract management responsibility.

Key synergies

- Procurement Bill
- Social Value Framework
- Equalities monitoring
- Sustainability Framework
- Commercial Continuous Improvement Assessment Framework (CCIAF)

Systems Update

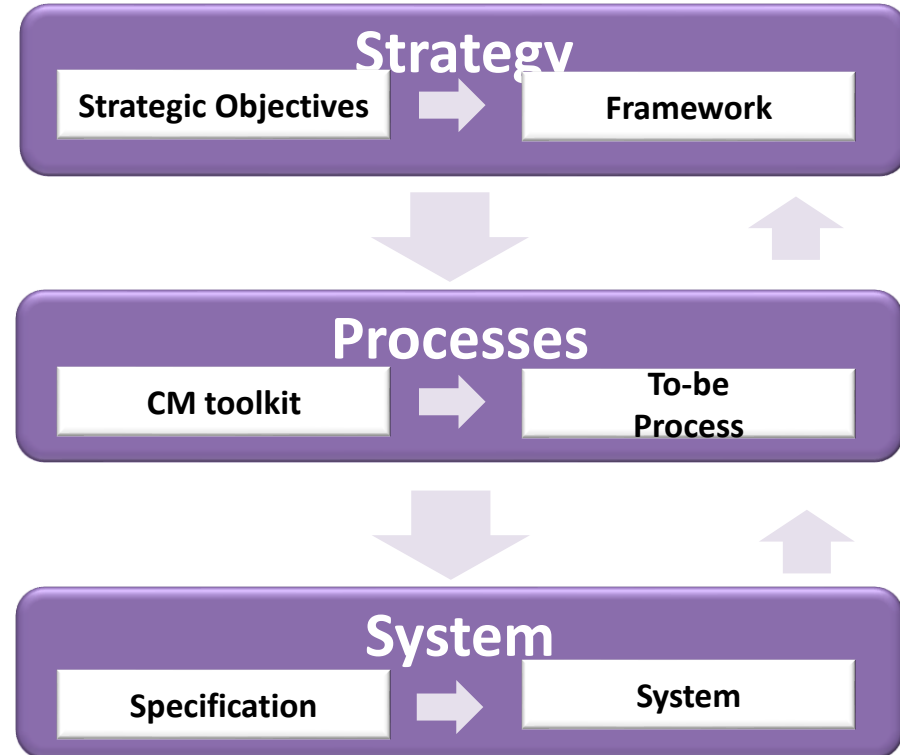
- System procurement process is ongoing
- Developing “To-Be” / Future state
- Collating functionality requirements and prioritising

Which will help to:

- Inform To-Be
- Ensure system alignment to needs / benefits
- Conduct gap analysis when product selected
- Inform the implementation approach
- Configuration approach
- Test plan / Success criteria
- Roles and responsibilities

Next Steps

- Procurement Bill



Background to Commercial Standards and Continuous Improvement Framework (CCIAF)

- A new co-designed Public Sector CCIAF adopting an agreed common standard and benchmarking framework.
- Enhanced peer review offer to share best practice and compare cross public sector performance to inform targeted investment decision making.
- Delivery of best in class Masterclasses accessible free of charge to the whole public sector procurement community.
- Increased capability, capacity and uplifting the Procurement Profession.

What is CCIAF?

Contracting authorities self assess against 9 themes on a defined four level maturity scale ('Developing', 'Good', 'Better' and 'Best') and are then peer reviewed

- Themes
 - Functional strategy, planning and governance
 - Capability and Resourcing
 - Pre-procurement
 - Procurement and contracting
 - Contract management
 - Managing categories and supplier relations
 - Commercial systems and information
 - Policy

Findings

| | Overall Rating | Overall Score | Average |
|---------------------------------------------------------------------|----------------|---------------|---------|
| Theme 1 - Commercial Strategy, Planning and Governance | Better | 82% | 65% |
| Theme 2: Commercial Capability and Resourcing | Better | 78% | 65% |
| Theme 3 -Commercial Lifecycle Define: pre-procurement | Good | 53% | 65% |
| Theme 4 - Commercial Lifecycle Procure: procurement and contracting | Good | 66% | 65% |
| Theme 5 - Commercial Lifecycle Manage: contract management | Good | 65% | 65% |
| Theme 6 - Managing Categories, Markets and Supplier Relations | Good | 40% | 65% |
| Theme 7 - Commercial systems, reporting and information | Better | 70% | 65% |
| Theme 8 - Policy | Good | 51% | 65% |
| Overall Average: | Good | 65% | |

Theme 8 - Policy

- Social Value Strategy and Framework are currently being developed.
- New procurement strategy and sustainability framework have been developed.
- These documents will be brought forward for approval.

Next Steps

- We are currently identifying measures that will support the uplift of Theme 3 and 6.

Planning Cycle

- Ongoing continuous improvement until 2027
- 2 opportunities to re-baseline following rounds of continuous improvement

Systems procurement

- Identified need for holistic E Procurement and Contract Management system
- Went to open market – no suitable bids were received
- Currently reviewing options open to the Council and will take appropriate action once the review is complete

Further systems in development

- Forms and Dashboards
 - New electronic exemption form live and in use
 - New starting a procurement form currently being developed
 - Procurement dashboard ongoing development

Team Update Systems



Procurement Dashboard

Last Refreshed:
03/10/2022 03:31:10

Click to view page:

- Select Report Filter(s)
- Transaction Breakdown
- Spend by Directorate/Service/Supplier
- Spend Summary
- Trend
- Contracted / Non-contracted Spend
- Local Spend Summary
- Local Spend Detail
- Contracts Register
- Spend by Contract Code
- All Requisitions *TEST*
- Rejected Requisition Reasons *TEST*
- CWC Non-compliance *TEST*
- Requisitions Summary *TEST*

Supporting EDI

- EDI Framework
 - New approach to how EDI is assessed for Procurement activity, with a framework to support commissioners to develop their EDI ask in contracts.
 - Monitored through the contract management process.
 - Working closely with various provider forums to support with procurement activity.

Procurement Bill – Supplementary information

15 October 2022

Procurement Bill What Is Changing?

- Amendments to ongoing tender processes will require a modification notice to be published explaining the reasons for the amendment
- The Council will need to notify the Government of any suppliers that are excluded from tender processes within 30 days

Procurement Bill Notices

- Preliminary Market Engagement Notice - This need only set out that the Council intends to conduct preliminary market engagement.
- Procurement Termination Notice - Procurement Termination Notice if it decides not to award the contract; but only if it has previously published either a Tender Notice or a Transparency Notice (see below) beforehand

Procurement Bill Frameworks

- A framework term may not exceed 4 years however the Bill does state this can be extended to 8 years however further guidance is required.

Procurement Bill Dynamic Markets

- The Dynamic Purchasing Systems (DPS) which exist under the current regime are fully electronic systems which can be used for commonly used, commodity type purchases.
- Under the Bill, DPSs have been expanded into “Dynamic Markets” which can be used for all procurements.

Procurement Bill Modifications

- For modifications required due to the materialisation of a “known risk”
- For modifications to allow the contract to be awarded directly (due to urgency and the need to protect life).
- Substantial modifications are now defined:
 - increase or decrease of the term by more than 10% of the maximum term provided
 - for at award; and/or
 - changes overall nature or scope; and/or
 - materially changes the economic balance in favour of the supplier.

Procurement Bill Direct Awards

- The Direct Award current covered in Regulation 32 and now in Chapter 3 and Schedule 5, and include:
- Direct award in special cases
- Direct award to protect life, etc
- Switching to direct award

Procurement Bill Below-threshold Contracts

- The thresholds to publish notices are increased slightly to £30,000 for the Council (currently £25,000).
- A new concept of a “below-threshold tender notice” is introduced, and it is not clear whether this will continue to be published to Contracts Finder or whether instead to FTS.

Procurement Bill Open Data Contracting Standard (ODCS)

- Explanatory notes recognise the challenge of information being published in multiple locations and suggests that the Bill may try to address this. It is not clear whether adoption of the ODCS has been dropped for the moment.

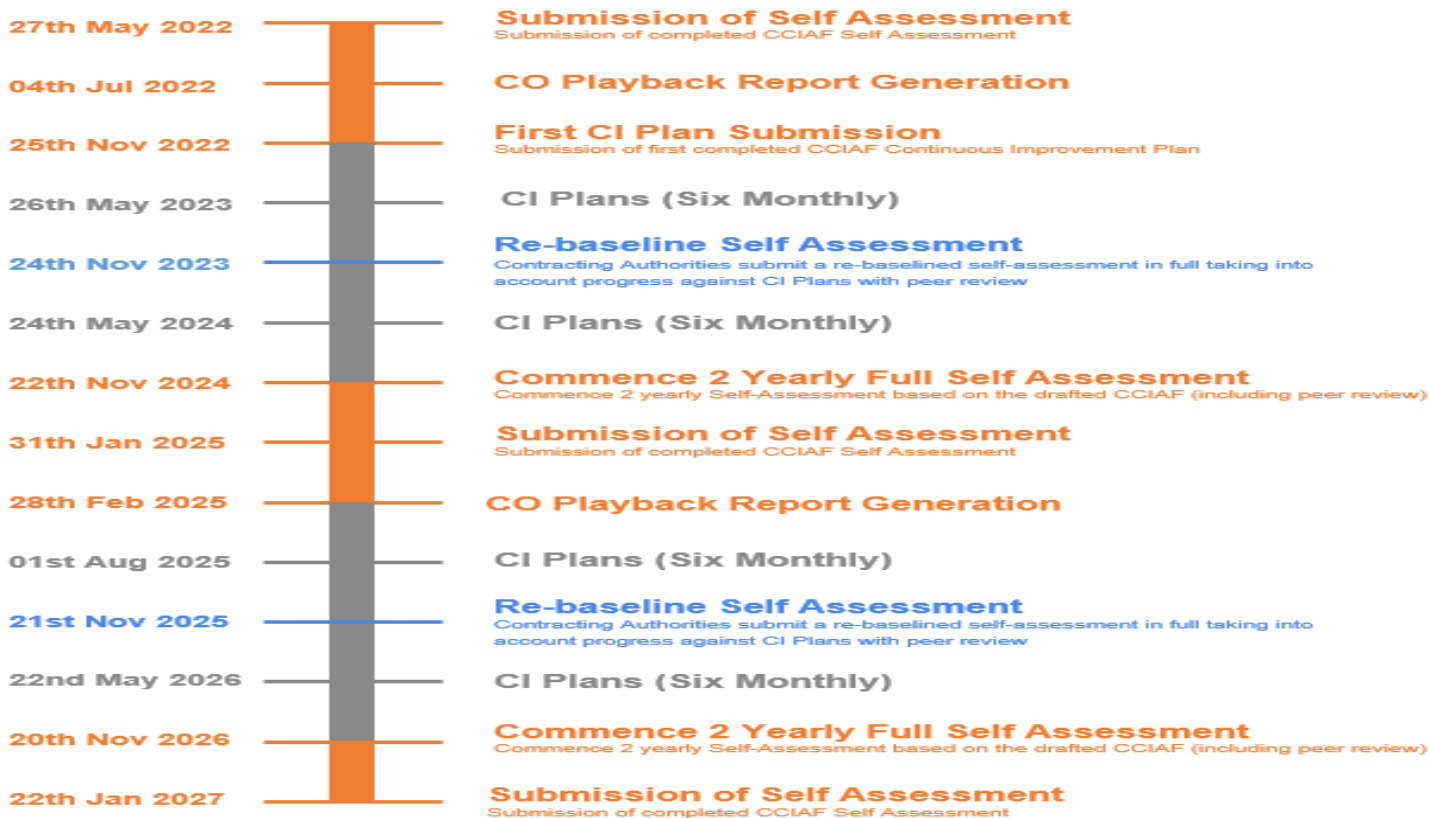
CCIAF – Supplementary information

15 October 2022

CCIAF – further detail



Planning Cycle



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