

OFFICE OF THE POLICE AND CRIME COMMISSIONER	
LEAD CHIEF OFFICER:	Nigel Stephens – Assistant Chief Officer - Resources
TITLE:	Procurement Outturn Report 2019/20
DATE:	3rd June 2020
TIMING:	Annual Report
PURPOSE:	For Information
1.	<u>RECOMMENDATION</u>
1.1	The recommendation is to note the details in the report.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	The purpose of this report is to summarise the work and development of the Procurement Department during the period 1st April 2019 to 31st March 2020.
2.2	<p>Non pay spend for the period 1 April 2019 to 29th February 2020 is £34,539,971.</p> <p>The firms spend report for 1st March 2020 – 31st March 2020 is £4,322,416*. <i>*This is the raw data from FIRMS which includes payments to other police forces, business rates expenses for specials etc. The review of this data is ongoing at the time of writing this report.</i></p> <p>Force Credit Card Spend for the period 1st April 2019 – 31st March 2020 is £379,772.62</p>
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	<p>Cashable Savings achieved during the period 1 April 2019 – 31 March 2020 was £167,865.82 and these savings are reported to the Home Office on a monthly basis.</p> <p>In addition, the department captures the cost avoidance measures that it's activities address and this is reported within the information submitted above to the Home Office. The costs value of cost avoidance in 2019/20 is £65,319.68.</p> <p>In addition, the department has recently started to capture notional savings made by obtaining quotes when lower value sourcing is undertaken. The figure for 2019/20 is £16,536.10</p>
3.2	Savings and cost avoidance is achieved as a result of new tenders, contract negotiations, scope reduction (i.e. reviewing and challenging requirements), demand management (based on usage), benchmarking and cost recovery (contract rebates).

3.3 New Contracts over £10,000 processed and let by Procurement during the period 01/04/19 – 31st March 2020:

<u>Type of Procurement</u>	<u>Quantity</u>	<u>Value *</u>
Single Tender	38	£1,639,712
Quotation	3	£ 61,935
National Contracts	20	£1,283,448
Collaborative Contracts (Welsh Forces)	9	£3,980,067
Collaborative Contracts (other forces and agencies)	9	£2,103,327
Local Contracts	5	£2,299,974
Contract Extensions	29	£1,773,241

* APPROX VALUE AS SOME CONTRACTS WILL HAVE A VARIABLE SPEND

Contracts awarded during the period are for a wide range of Goods and Services.

In addition, at the time of this report there are 45 projects (a range of types of procurements listed above) that Procurement are involved in that have commenced during the last 12 months that remain in progress. All are a range of the types of Procurement listed above and they are at various stages within the Procurement process (out to Tender, tenders being evaluated, scoping of procurement options, single tenders in process, drafting of tenders).

3.4 **Staff Changes**

A Head of Procurement was permanently appointed on 18th June 2019 and has completed the six-month probation period.

3.5 **Joint Collaborative Procurement Unit**

There has been a Collaborative Strategic Lead overseeing procurement activity across Gwent, South Wales and Dyfed Powys since 2011 and the three forces have collaborated as a virtual unit. During 2018/19, a scoping exercise for a formal collaborative unit across the four Welsh forces was undertaken to determine the benefits of an integrated procurement function for Wales, in line with the National Commercial Board direction. This concluded in November 2019 when North Wales determined to maintain the status quo of a watching brief and Dyfed Powys determined to maintain the strategic lead arrangements. Gwent and South Wales have determined the benefits of further integrating structures and the business case was presented to the Service Improvement Board on 19th March 2020. Staff consultation is ongoing and the key developments include:

- A Head of Commercial Services Role will be established with a Procurement Manager in each force.
- An increase in staff establishment in Procurement at Gwent.
- The appointment of a Contract Manager to look at key contracts in each force.
- A shared Spend Analysis Manager.
- Moving of the Ordering function from Finance to Procurement.

	<ul style="list-style-type: none"> • Management of the Procurement card to move from Finance to Procurement.
3.6	<p>NO PO NO PAY Procurement have worked with Finance to implement No PO NO PAY in force. The Business case was taken to Service Improvement Board in July 2019. Staff and officers were not following best practice of obtaining a Purchase Order before purchasing goods and services on behalf of Gwent Police. In consultation with suppliers the new process involves requisitions being raised before goods and services are purchased and any Invoice that does not have a PO referenced will be returned to the supplier unpaid. The process was trialled in the second half 2019 and went live on 1st February 2020.</p> <p>Using the full spend report from 01/04/2019 to 31/03/2020 42.06% the spend value was covered by a Purchase Order.</p>
3.7	<p>SUPPLIERS ON FIRMS SYSTEM A new process for the establishment and amendment of suppliers was developed and agreed by Procurement and Finance.</p> <p>During the year, 248 new supplier requests and 150 supplier amendments were processed by Procurement.</p> <p>A report was run to review suppliers that have not been used for 18 months on FIRMS. This was run in December 2019 and just over 700 suppliers were deactivated. This will be run every six months going forwards.</p>
3.8	<p>Modern Slavery and Ethical Supply Chain The Welsh Government launched the Ethical Employment in Supply Chains Code of Practice in 2017. Together with the other police forces in Wales, the Police and Crime Commissioner and the Chief Constable for Gwent Police signed up to the Code of Practice. Procurement are part of the Gwent Project Team we aim to promote the development of ethical supply chains in the delivery of contracts for the police service.</p> <p>A review of current contracts was completed to identify contracts where these issues had a higher risk of occurring. We contacted these suppliers encouraging them to view the Welsh Government guidance and sign up to the code.</p> <p>Specific Tender questions and Terms and Conditions relating to Modern Slavery and Ethical Supply chains were added to our standard contract documents and where relevant now form part of the selection criteria for new contracted suppliers to Gwent Police.</p> <p>Gwent and South Wales Police procurement have jointly funded a Consultant to assist both teams with a proposal to further progress the implementation of the Ethical Supply Chains Code of Practice.</p>

All of the team have received online training and those with MCIPS have to annually complete and pass (80% pass mark) a Chartered Institute of Purchasing and Supply Ethical Procurement module.

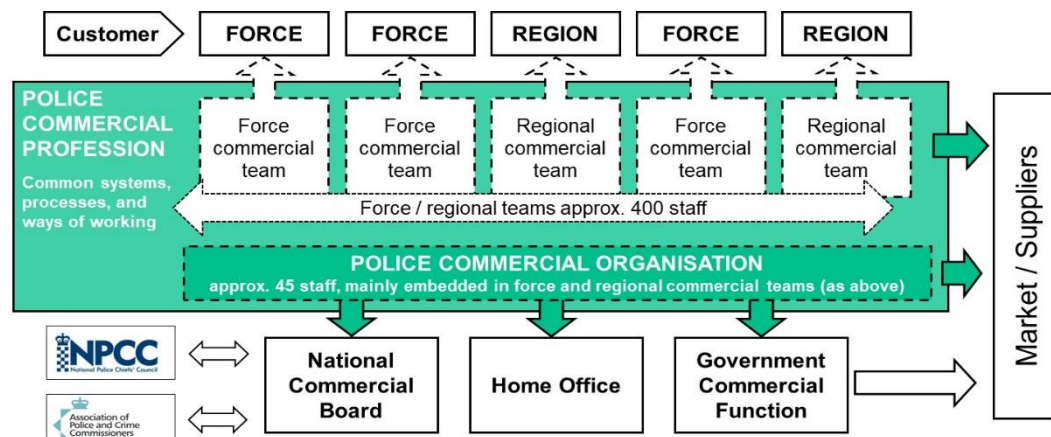
3.9

National Commercial Board - Police Commercial Organisation

The arrangements to introduce a National Procurement Model for the police service have commenced. Blue Light Commercial will be established to raise the commercial capability of blue light services from 1st June 2020.

Blue Light Commercial will operate as a virtual organisation with commercial specialists based across the country. Each region will have a dedicated Regional Commercial Director who will act as a Business Partner supporting local and regional needs as well as having a national responsibility for either a category or a functional expertise. The organisation will be supported by a small dedicated central team providing data analytics and transactional services to support category managers and forces.

Blue Light Commercial is in its mobilisation phase and will recruit staff with responsibility for the following categories over the next 4-6 months. The categories identified, as areas where there are opportunities for savings are **Vehicles and Air Support, Property, Operational Support and People and Professional Services** and includes the following sub categories: **Contingent Labour, Gas, Electricity, Car hire and leasing, Property Management amongst others**. Only those commercial activities where there is a case for managing them nationally will be co-ordinated on a national basis. The aim is to preserve the best of the local delivery and provide central coordination, where necessary.



3.10

Agile and Flexible Working

The team have embraced agile working and flexible working in line with force policy.

3.11

BREXIT

As part of an exercise with the procurement departments of South Wales Police and Dyfed Powys Police we identified contracts that are live, were awarded by one of the three forces and potentially may have issues as a result of Brexit. The collaborative eProcurement Assistant made contact with these suppliers via a letter and has been monitoring and the responses.

	The lead forces or organisations who established the frameworks that we use have been responsible for establishing any issues with the suppliers. There was no disruption experienced because of Brexit.
3.12	<p>COVID – 19</p> <p>The procurement team has been working with Southern Wales procurement colleagues to source products and services to support the force in its response to COVID – 19. The team has been sourcing protective equipment/ supplies, cleaning products and accommodation to ensure the officers and staff are protective in the delivery of services.</p> <p>The team has been able to work in an agile manner to address these urgent matters and also to maintain business as usual to ensure Gwent Police maintains compliance with contractual requirements.</p>
4.	<u>NEXT STEPS</u>
4.1	The procurement department will continue to provide an efficient and effective service to the Force and OPCC and support operational policing although workloads are being prioritised.
4.2	The department will continue to be an active participant in meetings and boards and fully support the Joint Police Procurement Unit Southern Wales and the Procurement Strategy to drive out further cost and process efficiencies.
4.3	Implementation of the joint procurement unit with South Wales and the recruitment of the additional posts.
4.4	Supporting and working with Blue light Commercial.
4.5	Procurement will work with Finance to continue enforcing the NO PO NO PAY system ensuring that staff and officers are raising a Purchase Order before goods and services are ordered and not just because they have an invoice that needs paying.
4.6	Further implement the Ethical Supply Chain Code of Practice.
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	There are no further financial considerations in relation to this report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no personnel considerations in relation to this report.

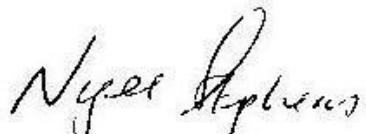
7.	<u>LEGAL IMPLICATIONS</u>
7.1	There are no legal implications.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	<p>This project/proposal has been considered against the general duty to promote equality, as stipulated under the Single Equality Scheme and has been assessed not to discriminate against any particular group.</p> <p>Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>
9.	<u>RISK</u>
9.1	The reduction in staff in 2016 resulted in a reprioritising awarding of contracts. The new joint structure will address this issue and enable the procurement function to be proactive in supporting Gwent Police deliver the savings and ensure value for money.
10.	<u>PUBLIC INTEREST</u>
10.1	Excluding the report in appendix 12.1 all other areas of this report can be made available to the public
11.	<u>CONTACT OFFICER</u>
11.1	Sian Gunner, Head of Procurement
12.	<u>ANNEXES</u>
12.1	None.

For OPCC use only

Office of the Chief Constable

I confirm that the attached **procurement outturn** report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for **monitoring purposes**.

Signature: 

Date: 11/05/2020

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:

Date: