

Nottingham City Council

Commissioning and Procurement Sub-Committee

Minutes of the meeting held at Remote - To be held remotely via Zoom - <https://www.youtube.com/user/NottCityCouncil> on 9 March 2021 from 10.06 am - 10.22 am

Membership

Present

Councillor Sam Webster (Chair)
Councillor Cheryl Barnard (Vice Chair)
Councillor Sally Longford
Councillor Adele Williams

Absent

Councillor Eunice Campbell-Clark

Colleagues, partners and others in attendance:

Paul Burrows -
Steve Oakley - Acting Director of Commissioning and Procurement
Simon Salmon -
Ceri Walters - Head of Commercial Finance
Phil Wye - Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is [insert date]. Decisions cannot be implemented until the working day after this date.

38 Apologies for Absence

Councillor Eunice Campbell-Clark – other Council business.

39 Declarations of Interests

None.

40 Minutes

The minutes of the meeting held on 9 February 2021 were confirmed as a correct record.

41 IT Equipment Programme - Key Decision

Simon Salmon, Head of IT, introduced the report requesting approval to undertake a competitive purchasing exercise to find the best value supplier of IT equipment.

Resolved to

- (1) delegate authority to the Head of Service (IT) to enter into contracts up to the value of £1.166m per annum using a compliant procurement process to: purchase PCs, Laptops, Tablets, Monitors and other peripheral devices required to meet operational needs and the requirements of the IT Equipment Programme to March 2024, and; employ delivery resources;**
- (2) authorise recovery and repayment to the IT Efficiency Fund of varying amounts from departmental budgets to cover requests for new equipment made outside of the IT Equipment Programme;**
- (3) amend the Capital Programme for the next 3 years by an initial value of £0.715m per annum and, thereafter, by the value of additional departmental purchases of up to £0.451m per annum but excluding the value of items procured to support schemes already in the Capital Programme. To transfer existing IT Efficiency Funding and departmental budgets as and when required to the capital programme to fund this amendment. No prudential borrowing or additional draw on the Capital Programme is needed.**

Reasons for recommendations:

- There is a high level of dependence on IT throughout the City Council for delivery of services to Citizens and to support joint working with partners. The IT Equipment Programme will support this by ensuring that all equipment is fit for purpose. Delegation of authority to purchase IT equipment in bulk using a compliant procurement process will ensure the ongoing, cost-effective procurement of devices to support the Council's front-line services.
- The single authorisation sought in this report will enable multiple procurements to be carried out over the approved period. This is to account for changes in technology that will occur over the period covered. The authorisation sought is for a projected volume of procurements based on historical trends. Should demand be less then fewer devices will be procured and authorised budgets will be retained within the IT Efficiency Fund.
- For each procurement undertaken under this authorisation the approval of the Chief Finance Officer will be sought, prior to an order being placed, to ensure that the Council maintains the proper alignment between demand for equipment and the allocated budget.

Other options considered:

- Do nothing. If nothing is done then the current contract for IT equipment will expire. From this point purchases of new equipment will have to be made within the Council's Financial Regulations but on an ad hoc basis. This means that more procurements will be made, with a consequent increase in transactional activity adding to the cost of delivery. It is also the case that because purchase volumes will be lower there will be less opportunity to access economies of scale. The approach has therefore been discounted.

- Move to a leasing model. Currently the Council adopts an approach to providing IT equipment that is based upon outright ownership and management. Some organisations have adopted a different approach, to lease equipment and also to buy support services as a part of this package. The benefits of this approach include smoothing the costs of equipment replacement and releasing the organisation from one of the day-to-day elements of IT service delivery. Initial investigation have suggested that this is not a desirable approach for the Council because of added cost associated with the model and the limits on future flexibility associated with it. The approach has therefore been discounted.

42 Nottingham City Council Procurement Plan 2021-2026

Steve Oakley, Acting Director for Commissioning and Procurement, introduced the report presenting an update of the Nottingham City Council Procurement Plan for 2021 – 2026, which sets out the Council's planned programme of procurement activity for all goods, works and services over this five-year period.

Resolved to

- (1) note the Nottingham City Council Procurement Plan 2021 – 2026;**
- (2) note that the Procurement Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement;**
- (3) note that the outcomes of procurement activity undertaken in accordance with the Plan during 2020/21 will be reported at the end of the year.**

Reasons for recommendations:

- A Procurement Plan was initially developed to align the planning of procurement and contracting activity with the programme of Strategic Reviews of commissioned services. It was first reported to Commissioning Sub Committee in May 2012 and has subsequently been maintained and reported routinely.
- In April 2020, a review was undertaken of planned procurement activity in the light of the COVID-19 outbreak, to determine whether planned tenders should proceed or be paused due to the impact of the pandemic. It was decided to pause some non-essential procurement activity to enable resources to be focussed on the Council's key priorities, in particular providing support for Social Care delivery. Additionally it was identified that due to the disruption to supplier markets, providers may have difficulty participating in formal tenders, and there was likely to be a negative impact on pricing or the viability of any tenders received. For those procurement projects that were paused, the Procurement Team continued to work with client Departments to consider the longer term sourcing options and to agree plans for securing continued delivery through a compliant arrangement as soon as possible.

- Procurement activity has resumed as appropriate during the latter part of 2020/21, and the Procurement Plan has been refreshed to set out planned activity for the period 2021-2026. It presents planned procurement activity across the Council; showing the anticipated commencement and completion dates and key stages for each project. It is presented under the three procurement categories managed by the Procurement Team:
 - 'People' - commissioned services for citizens including: social care and support for adults and children, community, public health and education
 - 'Places' – including: major projects, minor works, highways, school capital works, safety and compliance, operator services and temporary structures
 - 'Products' – including: transport, energy, waste, environmental services, professional services, ICT, soft facilities management and business support.

- The Procurement Plan is indicative of anticipated procurement activity and may be subject to change, for example following commissioning decisions or due to changes to service budgets and priorities. In each commissioning process, the procurement options are considered based on a number of factors, including: future need for the goods, works or services, model of provision, consideration of 'Make or Buy', compliance with the Council's financial regulations and Public Procurement Regulations, and the overall risks, costs and benefits of tendering. It should be noted that for some projects in their early stages, procurement timescales are not yet known therefore are not showing on the plan.

- All procurement activity is conducted in accordance with the core principles of the Nottingham City Council Procurement Strategy 2018-23:
 - Commercial efficiency
 - Citizens at the heart
 - Partnerships and collaboration
 - Governance, fairness and transparency
 - Ethical standards
 - Innovation and improvement.

Other options considered:

- Do nothing. This would impact upon the delivery of the Council's procurement activity across all goods, works and services. It would risk non-compliance with the Council's Financial Regulations and Contract Procedure Rules, and the UK Procurement Regulations due to procurement activity not being undertaken in a timely way and contracts needing to be extended beyond their expiry date. In relation to commissioned services, it would impact upon the alignment of procurement activity with the programme of commissioning reviews undertaken within Strategy and Resources. For these reasons, this option was rejected.