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Report to: West Yorkshire Combined Authority

Date: 1 February 2018

Subject: WYCA Procurement Strategy and Changes to Contract Standing Orders

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	

1 Purpose

- 1.1 This document seeks the approval of the new WYCA Procurement Strategy and approval of the updated Contract Standing Orders (CSOs).

2 Information

- 2.1 As a public sector organisation, WYCA has a duty to ensure that its business is conducted in accordance with the law and that public money is safeguarded and properly accounted for. It also has a duty to secure continuous improvement in the way in which its procurements are exercised, having regard to a combination of economy, efficiency and effectiveness. The Procurement Strategy and Contract Standing Orders form a key part of the governance mechanism to do this.
- 2.2 The aim of the Procurement Strategy is to clearly set out a framework for committing spend and undertaking procurement activities throughout the authority. This should be done ensuring best value through that spend whilst reflecting and promoting the wider aims of the authority's Corporate Plan.
- 2.3 The previous WYCA Procurement Strategy covered the period from April 2014 to March 2017. Drafting of the new strategy was delayed whilst a review was undertaken of the procurement needs of the organisation. Now that review has been completed and a new Procurement Team created, a new Procurement Strategy has now been developed.
- 2.4 The Contract Standing Orders were updated and approved in April 2017. At that time those changes were minor. More substantial changes are now required following the creation of the Procurement Team and the introduction of new working practices.

- 2.5 At the WYCA meeting on 14 December 2017 a paper was approved regarding the development of the new WYCA Procurement Strategy. This confirmed the key priority areas that included:
- Mandatory weighting for social value contribution
 - Encouraging suppliers to pay the living wage
 - Increasing SME and local spend percentages
 - Training for commissioners and suppliers
 - Implementation of a benchmarking and measurement tool
 - Implementation of contract management toolkit and corporate wide key performance indicators (KPIs)
 - Implementation of corporate spend analytics
 - Increase in use of corporate contracts and frameworks
- 2.6 The new Procurement Strategy, attached at **Appendix 1**, covers the above priority areas in detail including a 3-year plan for implementing these changes. It is also proposed that the strategy is reviewed annually to monitor progress and to update requirements as required.
- 2.7 The Contract Standing Orders, attached at **Appendix 2**, have been revised to take account of the introduction of the Procurement Team plus new processes introduced by that team. Key changes are:
- Category C requirements where budget holders can approve has been increased from £50k to £75k.
 - Category D spend requirements (between £75k and OJEU limit) are advertised via the WYCA eTendering system and the governments Contract Finder portal to support competition and local suppliers.
 - Introduction of minimum 10% weighting for social value for all contracts above £75k.
 - Introduction that all tendering above £500 is via the online portal to meet transparency requirements.
 - A new procedures for waiving standing orders introduced to reduce the number of times this is undertaken.
 - Clarification has been added on the approach to varying contracts.
 - Removal of ability for Transport services to receive tenders via the post.
 - Clarification when a full contract is needed and when Purchases Order terms can be used.
 - A section added on use of Procurement Cards for sub £500 ad-hoc expenditure and the introduction of a usage policy.
 - Introduction of Head of Procurement role to approval procedures.
- 2.8 Assuming approval it is planned that both documents will take effect from 1 March 2018. Training will be provided to all budget holders and budget controllers on the changes.

3 Financial Implications

- 3.1 None have been identified at this stage.

4 Legal Implications

- 4.1 No legal implications have been noted. The new Procurement Strategy will continue to ensure that WYCA meets its obligations regarding EU and UK procurement regulations.

5 Staffing Implications

- 5.1 None arising directly from this report.

6 External Consultees

- 6.1 No formal external consultation has been undertaken. However, informal discussions have taken place with the West Midland and Greater Manchester Combined Authorities to understand their relative positions and approaches.
- 6.2 Workshops have also been held with regards to the LGA National Procurement Strategy (2017) Diagnostic approach. WYCA originally attended a workshop with the LGA and all Yorkshire & Humberside Councils to agree regional priorities.
- 6.3 A meeting was held on 24 January with the Heads of Procurement of member councils to share the WYCA internal vision and to further discuss their approaches their various to Social Value.

7 Recommendations

- 7.1 To approve the new Procurement Strategy to cover 2018 to 2021.
- 7.2 To approve the amended Contract Standing Orders.

8 Appendices

- 8.1 Appendix 1 - Procurement Strategy
Appendix 2 - Contract Standing Orders