

Local Procurement Task & Finish Group Minutes		Date of Meeting 16th July 2009
(Shropshire Business Board Sub-Group Meeting)		
In Attendance: Ann Johnson, FSB (Chair); Rob Bickerton, STFC; Will Jones, Greyhound Plant Services; Louise Pickford, HEFF; Richard Sheehan, Shropshire Chamber; Nigel Denton, Procurement Manager; Mark Pembleton, Head of Economic Development; Jacqui Casey, Policy & Research Team Leader; Louise Cross, Sector Support Team Leader; Frank Lauriello, Business Support Officer.		
Apologies: Geoffrey Davies, McConnel Ltd., Business Board Chair; Nick Chavasse, NRG Direct; Tudor Griffiths, TG Group; David Grocott, Grocontinental; Steven Westwood, Novellis; James Tanner, Tanners (Shrewsbury) Ltd. Matt Sandford, Purecom.		
Item	Summary of Key Points/Actions (By Whom)	
<i>1. Welcome & Apologies</i>	AJ welcomed all and noted the shared aim of the Group in arriving at practical steps that can be taken to: <ul style="list-style-type: none"> ▪ improve and simplify communication between Council and businesses in doing business together ▪ increase business knowledge of Council procurement processes and improve their ability to participate 	
<i>2. Proposed Approach to Task & Finish Group</i>	JC briefly outlined background to the Task & Finish Group process including: <ul style="list-style-type: none"> ▪ The outcome of each T&F Group will be: <ul style="list-style-type: none"> - a detailed set of agreed actions to achieve the desired outcomes identified in the Business Board Plan - the identification of the most appropriate organisations/individuals to take forward the actions - the identification of costs/resources required to deliver the actions. ▪ Members of a T&F Group are identified from among Business Board Members and the Business Ambassadors Network using details of areas of interest which they have provided to the secretariat (Shropshire Council). ▪ Each T&F Group will meet between 4 and 6 times, as required, and each meeting will last approx 1 ½ hours. ▪ In respect of the Local Procurement T & F Group, members of the Group must note that the Procurement Officer cannot talk specifically on individual tender details. Should any member of the Group have a query that is pertinent to their own company or to a current tender with the authority, this query should be dealt with outside of the meeting. 	
<i>3. Shropshire Council's Procurement Strategy.</i>	ND noted that: <ul style="list-style-type: none"> ▪ It is illegal for the authority to prefer to work with local companies ▪ The Council's Procurement Strategy is underpinned by principles of sustainability and the development of a sustainable economy forms a key element of the Strategy ▪ The use of a diverse mix of goods and service providers often leads to best value for money 	
<i>4. Background to</i>	ND explained that, as with many authorities, procurement at Shropshire Council	

<p><i>Shropshire Council's Devolved Procurement Model</i></p>	<p>does not operate through a centralised system. ND is part of a 3 man central team which deals with contracts over £30K and provides advice and expertise to officers across the Council. Community Services and Children & Young People's Services each have their own Contracts Units. Development Services and Resources use the expertise of individuals within their Directorates to identify services and set out what they need to purchase. ND's Team provide support to these staff.</p> <p>A recent value for money review of this devolved procurement model came out in favour of a devolved approach stating that it enables:-</p> <ul style="list-style-type: none"> ▪ Better use of officer expertise in providing detailed specifications required which saves time and money for authority and tenderer ▪ Better engagement between authority and the market. <p>WJ queried monitoring of sub-contractor arrangements. ND advised that contractors were vetted and monitored. Sub-contracting arrangements were not. ND noted that the Council would be in a position to 'influence' arrangements with sub-contractors and, in keeping with sustainable principles, could encourage use of local provision.</p>
<p><i>5. Routes of Communication</i></p>	<p>ND briefly demonstrated the Council's online procurement information and systems at www.shropshire.gov.uk/procurement.nsf "Doing Business with the Council."</p> <p>Communications with suppliers/potential suppliers take place principally through online processes, but also by telephone, e-mail and face-to-face meetings. Feedback on tendering processes is sought through questionnaire responses. Tender documents can be issued by post. This is rarely requested now.</p> <p>Information on Council tendering opportunities is available on SC website and is also put on the Shropshire Chamber's Business2Business website. Other websites also 'lift' SC contracts information on to their sites.</p> <p>The Highways and Transportation section is in the process of creating its own portal.</p> <p>RS advised that 870 companies are now registered on the Business2Business website and 231 tender documents had gone through the system to date. Businesses have been fairly slow to take up the opportunity however, although potential for inter-trading is huge. RH noted the system would go national soon.</p> <p>ACTION: All to consider how to enhance the b2b system to ensure it reaches its potential for Shropshire based companies.</p>
<p><i>6. SME Training & Support</i></p>	<p>Shropshire Council holds several pre-procurement events each year to provide information to businesses on Council tendering processes and train businesses for tender readiness. ND considers that events that are focussed around specific areas of work reap greater benefits for companies as greater detail can be covered. ND has undertaken training sessions ranging from building construction to fresh meat contracts. ND has no specific budget for this however.</p> <p>Training is usually linked to up-and-coming tenders and is provided 12 months in advance of the need to procure.</p> <p>LP noted that the need for accreditation is often a turn off for local businesses where they are additional requirements for the companies. ND noted that the</p>

	<p>tender specification should always set out the need for any accreditation in the initial paperwork received by the potential tenderer.</p> <p>AJ noted that the need for professional indemnity was often a further barrier, where this was set significantly higher than what might be practically required. ND advised that Shropshire Council's current requirements were:-</p> <p>Public Liability - £5m</p> <p>Employers Liability - £5m</p> <p>Professional Indemnity - £1m</p> <p>ND said that there was flexibility on these dependant upon nature of contract. Staff could seek guidance through Council's Audit Team. JC noted that this was possibly not always fully understood by staff.</p> <p>ACTION: ND/JC to consider how the purpose of these requirements and flexibility issue might be better articulated to staff.</p>
<p><i>7. Monitoring & Improvement</i></p>	<p>ND noted recent audit work which showed that the Council (County Council) spent £154m on goods, services and supplies. 60% was spent with large and small Shropshire companies (defined by postcode). Of contracts over £30k, 52% was spent with SMEs (includes companies inside and outside of Shropshire). Most expenditure under £30k was spent with SMEs. ND is working to improve available data.</p> <p>RS noted need for good baseline information.</p> <p>ND outlined additional monitoring currently being undertaken using tender forms received for contracts of £30k and over. This included an understanding of the detail, split by way of Shropshire, West Mercia, West Midlands and UK, of:-</p> <ul style="list-style-type: none"> ▪ Who was invited to tender ▪ Who actually did tender ▪ Who won the contract <p>Contracts of under £30k were not similarly monitored as these did not pass through ND's Team.</p>
<p><i>8. Additional Questions & AOB</i></p>	<p>RB noted two main issues that influence the ability of small businesses in tendering for Council work:-</p> <ul style="list-style-type: none"> ▪ Ease of tendering process ▪ Timeframe for decisions <p>AJ stated that the T&F Group was a 'doing group' and suggested giving further consideration to some key points highlighted, including:</p> <ul style="list-style-type: none"> ▪ Potential influence over sub-contractor arrangements ▪ Making things easy ▪ Issues around levels of procurement within the system itself <p>Meeting Closed 5.35pm.</p>
<p><i>Date & Time of Next Meeting</i></p>	<p>4.00pm Thursday 10th September 2009 at Shirehall, Abbey Foregate, Shrewsbury</p>