

Title of meeting:	Governance and Audit and Standards Committee
Subject:	Procurement Management Information
Date of meeting:	2 February 2018
Report by:	Director of Finance and Information Services
Wards affected:	N/A

It is recommended that the attached appendices 1, 4 and 5 be considered as an exempt/confidential matter and that the press and public are excluded for the following reasons:

- Exempt information is defined in section 100A and, by reference, Schedule 12A of the Local Government Act 1972 ("the 1972 Act"). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information;
- The attached Appendices 1, 4 and 5 contain some information relating to the financial or business affairs of particular companies as well as PCC; and
- Although there is a public interest favouring public access to local authority meetings, given the financial and commercially sensitive information contained in the report the public interest in maintaining the exemption outweighs the public interest in disclosing the (exempt) information.

1. Requested by

Governance and Audit and Standards Committee

2. Purpose

To provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is achieving value for money in its contracts for goods, services and works.

3. Information Requested

The way that the City Council demonstrates that it is paying competitive rates is by:

- a) subjecting procurement to a competitive process
- b) ensuring that we obtain the quality of service that we are paying for
- c) testing value for money against industrial comparators

Section 1: Compliance with Contract Procedure Rules

This table reports on all invoices paid against purchase orders with a value of £5,000 or more in **October 2017**. This corresponds to the threshold between low-value and medium-value contracts from the Contract Procedure Rules.

Contracts of £5,000 or more must be published on the Contracts Register

The presence of a contract on the Contracts Register implies that either:

- The contract has been awarded following a competitive process of quotation or tender and that at least three written quotations or tenders have been received; or
- A waiver has been approved by the appropriate Director, Procurement Manager or Gateway Board to allow departure from the Contract Procedure Rules with written justification for this approval.

Members approved a recommendation of a target of greater than 95% conformance with Contract Procedure Rules. Where this target is not met by an individual directorate, a comment on the risk of the non-compliant spend in the monitoring month is provided by the Procurement Manager.

Purchase orders that are linked to a contract on the Contracts Register are flagged as compliant. Legal Services has commented that whilst this methodology is indicative of good practice, is not definitive as to compliance with legal requirements.



Directorate	Year to date 2017/18			October 2017			Risk (if less than 95% target)
	Total transaction value	Total value of non- compliant transactions	% compliance	Total transaction value	Total value of non- compliant transactions	% compliance	
Adult Services	£24,451,833	£1,581,732	94%	£3,883,273	£22,948	99%	
Children's Services and Education	£15,676,346	£1,487,343	91%	£1,375,527	£77,828	94%	LOW
Community and Communication	£509,557	£64,641	87%	£36,353	£2,363	94%	LOW
Culture	£3,162,671	£756,200	76%	£315,772	£4,484	99%	
Other (capital spend)	£28,517,259	£3,969,146	86%	£6,157,356	£115,923	98%	
Finance and Information Services	£2,765,479	£396,364	86%	£779,548	£5,604	99%	
HR, Legal and Performance	£1,185,555	£75,812	94%	£125,036	£0	100%	
Integrated Commissioning Unit	£261,792	£80,740	69%	£11,250	£0	100%	
Portsmouth International Port	£1,949,627	£6,479	100%	£184,023	£6,479	96%	
Property and Housing	£32,610,124	£2,800,457	91%	£2,715,446	£82,239	97%	
Public Health	£6,443,772	329,437.13	95%	£432,947	£0	100%	
Regeneration	£3,675,898	767,758.83	79%	£147,526	£20,551	86%	LOW
TOTAL	£121,209,912	£12,316,110	90%	£16,164,056	£338,416	98%	

A detailed commentary on non-compliant transactions in the month of October 2017 is provided in **Appendix 1** (exempt).

Reports on low level transactions (less than £5,000) have not been requested by the Procurement Manager and so do not appear in Appendix 1.

Section 2: Waivers awarded this quarter

This table presents a summary of those contracts added to the contract register during Q3 2017/18 which have a waiver associated with them.

Waivers for procurements which depart from the Contract Procedure Rules are recorded for contracts over £5,000 value.

Available reasons for waivers are:

- Insufficient time
- Emergency
- Not obtaining 3 bids
- Not advertising the opportunity
- Direct award
- Use of a previous tender
- Original spend estimate wrong
- Extension of lapsed contract for continuity
- Shared service
- Single source
- Service user choice
- Other

Under the Contract Procedure Rules, waivers can be approved by:

- Director (or Chief Executive, or Deputy Chief Executive) - up to £100,000
- Procurement Manager - £100,000 to £1M
- Gateway Board - over £1M

More detail regarding waivers approved in Q3 2017/18 is provided in **Appendix 2**

Reason for waiver	Number of contracts	Contract value
Direct award	26	£2,286,114
Use of a previous tender	1	£1,630,219
Shared service	2	£715,667
Not obtaining 3 bids	4	£82,802
Insufficient time	2	£29,855
Other	2	£26,350
Original spend estimate wrong	1	£6,650
Total	38 (42% of all contracts awarded in Q3)	£4,777,657 (14% of all contracts awarded in Q3)



	Value of all contracts awarded Q3	Total number of contracts awarded Q3	Waiver reasons	Value of Waivers Q3	Number of waivers Q3
Adult Services	£ 22,889,563	8	Shared service	£ 709,167	1
			Direct award	£ 71,246	4
			TOTAL WAIVERS Waivers as % of all contracts	£ 780,413 3%	5 63%
Children's Services and Education	£ 720,787	4	Direct award	£ 239,836	2
			Shared service	£ 6,500	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 246,336 34%	3 75%
Children's Social Care	£ 2,540,957	4	Direct award	£ 1,160,000	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 1,160,000 46%	1 25%
Community and Communication	£ 101,952	7	Direct award	£ 54,075	4
			Other	£ 12,600	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 66,675 65%	5 71%
Culture	£ 2,417,955	15	Use of a previous tender	£ 1,630,219	1
			Direct award	£ 77,475	3
			Insufficient time	£ 29,855	2
			Not obtaining 3 bids	£ 13,285	2
			TOTAL WAIVERS Waivers as % of all contracts	£ 1,750,834 72%	8 53%
Finance and Information Services	£ 208,047	10	Direct award	£ 54,400	1
			Not obtaining 3 bids	£ 20,317	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 74,717 36%	2 20%
HR Legal and Performance	£ 633,860	15	Direct award	£ 79,000	3
			TOTAL WAIVERS Waivers as % of all contracts	£ 79,000 12%	3 20%
Portsmouth International Port	£ 175,205	5	Direct award	£ 112,255	3
			Not obtaining 3 bids	£ 49,200	1
			Other	£ 13,750	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 175,205 100%	5 100%
Public Health	£ 786,500	4	Direct award	£ 181,000	3
			TOTAL WAIVERS Waivers as % of all contracts	£ 181,000 23%	3 75%
Regulatory Services and Community Safety	£ 173,840	2	Direct award	£ 23,840	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 23,840 14%	1 50%
Transport Environment and Business Support	£ 1,602,207	6	Direct award	£ 232,987	1
			Original spend estimate wrong	£ 6,650	1
			TOTAL WAIVERS Waivers as % of all contracts	£ 239,637 15%	2 33%
TOTAL	£ 35,092,002	90			

THIS ITEM IS FOR INFORMATION ONLY

Section 3: Spend with Waiver

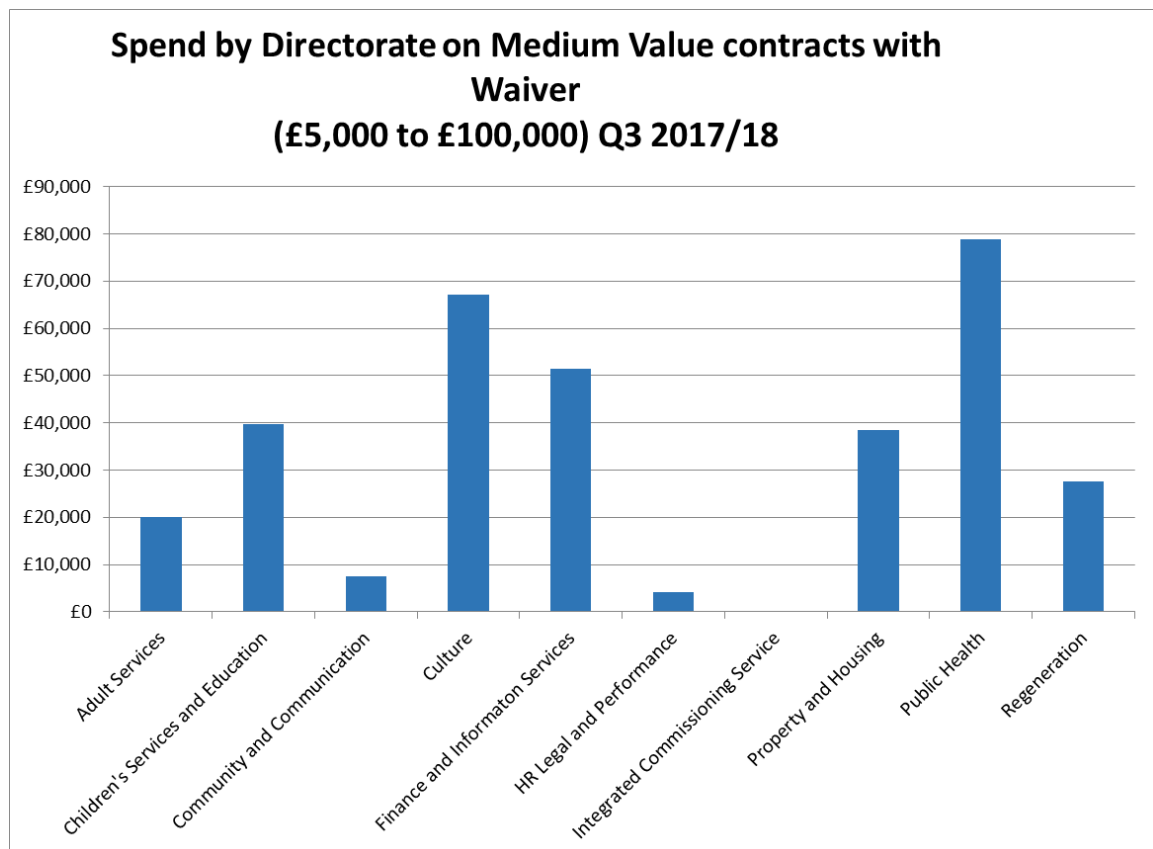
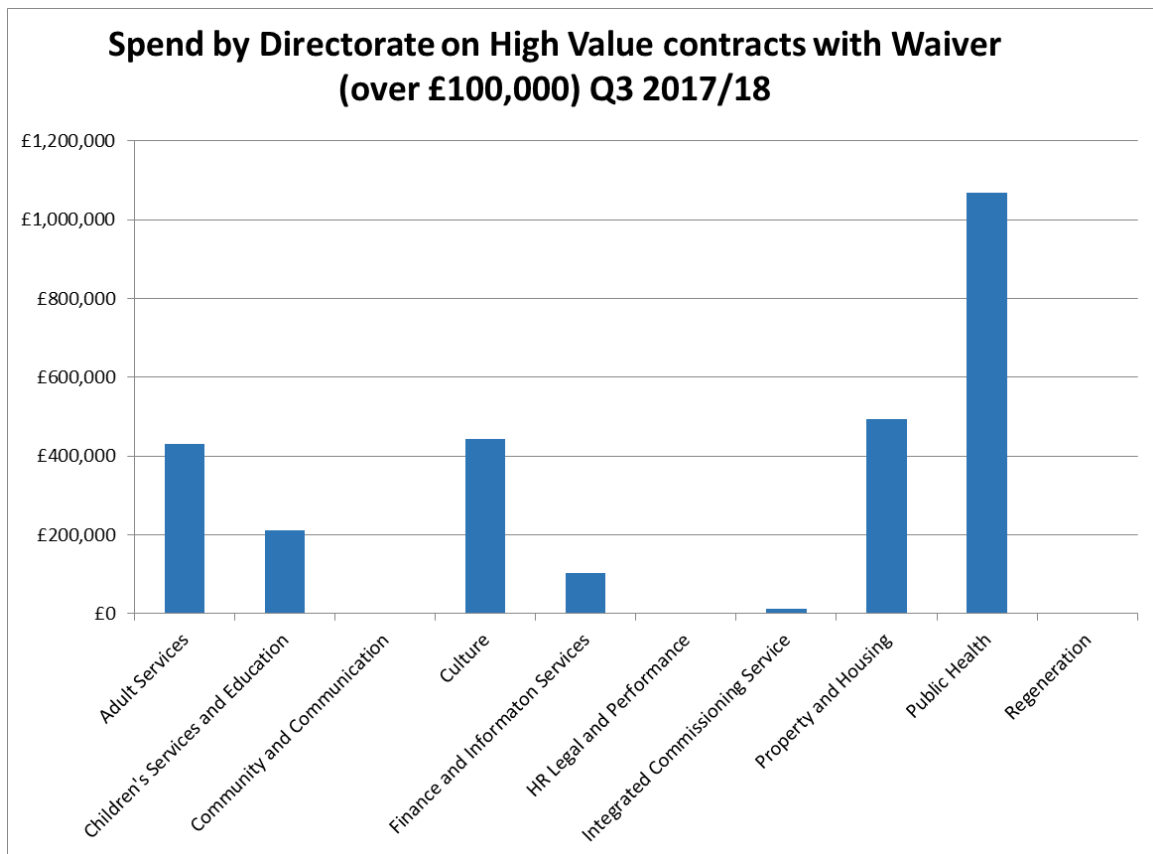


The table and graphs provide a breakdown by Directorate of the actual spend during Q3 2017/18 on contracts which have waivers associated with them.

Waivers are not required for contracts below £5,000 (under CPRs).

See **Appendix 3** for details of payments under contracts with waivers in Q3.

	TOTAL SPEND IN QUARTER				WAIVER SPEND IN QUARTER				% OF TOTAL SPEND COVERED BY WAIVER IN QUARTER			
	2016/17	2017/18			2016/17	2017/18			2016/17	2017/18		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Adult Services	£3,526,673	£3,143,868	£3,628,603	£3,634,082	£211,108	£198,139	£75,422	£449,985	6%	6%	2%	12%
Swift Interface (ASC and CSC)	£6,662,539	£6,299,453	£6,716,800	£7,353,203	£0	£0	£0	£0	0%	0%	0%	0%
Children's Services and Education	£4,759,567	£6,267,762	£2,353,652	£4,588,623	£112,793	£79,015	£83,103	£250,065	2%	1%	4%	5%
Children's Social Care	£2,948,686	£2,539,268	£2,197,902		£346,671	£369,535	£139,514		12%	15%	6%	
Community and Communication	£229,276	£233,435	£215,420	£210,783	£56,045	£73,116	£23,735	£7,606	24%	31%	11%	4%
Culture	£1,422,292	£1,714,694	£1,926,651	£2,074,296	£219,431	£194,390	£190,626	£510,333	15%	11%	10%	25%
Executive	£1,584,345	£147,357	£371,512	£134,716	£0	£0	£0	£0	0%	0%	0%	0%
Finance and Information Services	£832,319	£757,298	£1,340,587	£2,795,985	£92,635	£261,782	£85,768	£153,691	11%	35%	6%	5%
HR Legal and Performance	£371,172	£948,644	£962,661	£1,871,244	£17,379	£17,804	£26,499	£4,246	5%	2%	3%	0%
Integrated Commissioning Service	£151,876	£191,657	£128,394	£30,462	£0	£15,000	£9,300	£11,250	0%	8%	7%	37%
Property and Housing	£14,086,144	£18,201,287	£19,952,626	£25,419,399	£127,419	£130,742	£365,319	£533,190	1%	1%	2%	2%
Public Health	£2,552,069	£1,535,380	£3,140,588	£2,211,940	£1,022,300	£689,279	£2,370,979	£1,148,351	40%	45%	75%	52%
Regeneration				£4,099,789				£28,390	0%	0%	0%	1%
Transport Environment and Business Support	£8,392,851	£3,817,585	£3,016,894		£203,120	£32,460	£39,881		2%	1%	1%	
TOTALS	£47,519,949	£45,797,778	£45,954,925	£54,424,521	£2,408,900	£2,061,261	£3,410,146	£3,097,107	5%	5%	7%	6%

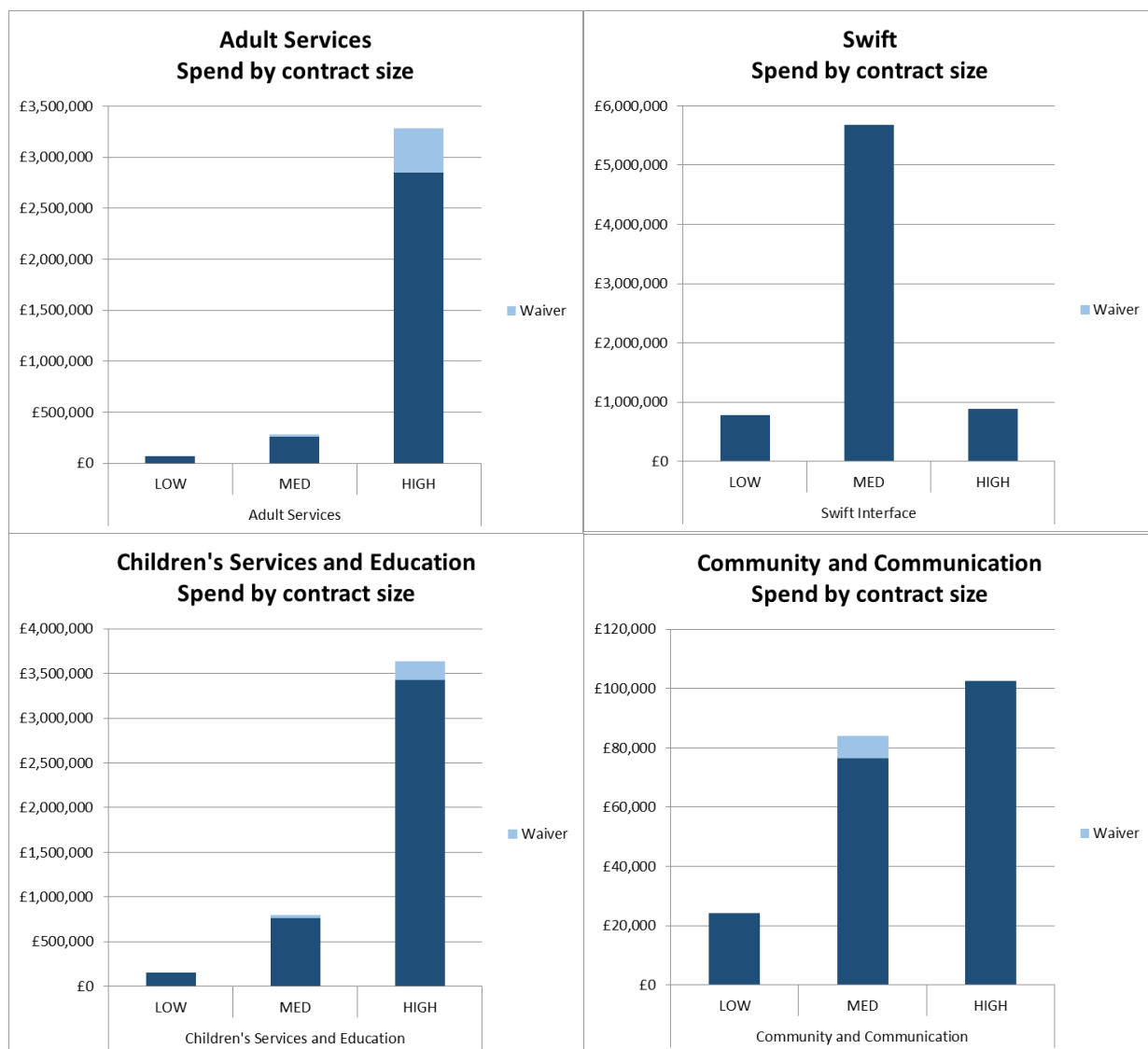


Section 4: Spend by Contract Size

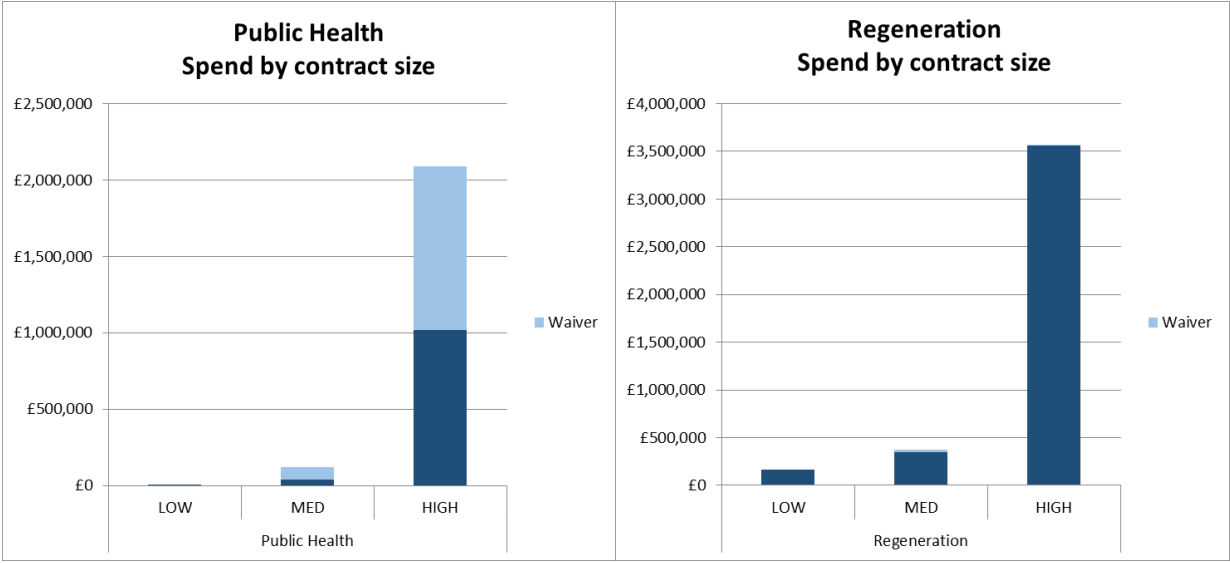
The following graphs present the actual spend by Directorate in Q3 2017/18, and how this is broken down into spend under high, medium and low value contracts.

High value contracts £100,000 and over
Medium value contracts between £5,000 and £100,000
Low value contracts below £5,000

The columns are stacked to show the proportion of the total spend which has been associated with a waiver.







Section 5: Suppliers paid over £100,000 in Q3 by Directorate

The tables show those suppliers who have been paid over £100,000 in Q3 2017/18 by directorate. They are arranged in descending order of value by directorate.

The spend with these suppliers represents **80%** of the total spend in Q3.

The 83 suppliers below represent **8%** of the total number of suppliers paid in Q3 (1178).

	Q3 spend with supplier	% of Directorate Q3 spend
Adult Services		
SEVACARE (UK) LTD	£531,784	15%
MILLBROOK HEALTHCARE	£528,999	15%
NHS PORTSMOUTH CCG	£428,412	12%
AGINCARE UK	£171,874	5%
THE YOU TRUST	£146,959	4%
VOYAGE CARE	£140,360	4%
RICHMOND FELLOWSHIP	£125,897	3%
COMMUNITY INTEGRATED CARE (CIC)	£116,912	3%
DIMENSIONS (UK) LTD	£108,078	3%
CROSSBIND LTD T/A COSHAM COURT	£101,837	3%
Swift		
DIMENSIONS (UK) LTD	£468,176	6%
APEX PROPERTY VENTURES LTD	£353,018	5%
CRESCENT COMMUNITY CARE SERVICES LTD	£310,114	4%
MINSTEAD TRAINING TRUST	£261,995	4%
HAMPSHIRE COUNTY COUNCIL	£261,298	4%
CARE MANAGEMENT GROUP LIMITED	£250,553	3%
AFFINITY TRUST LTD	£246,114	3%
DOLPHIN HOMES LTD	£222,640	3%
CREATIVE ADVANCES LTD	£211,889	3%
ASTER CARE LTD	£209,062	3%
COMMUNITY INTEGRATED CARE (CIC)	£205,951	3%
SEVACARE (UK) LTD	£202,557	3%
HANDLE WITH CARE (PORTSMOUTH) LTD	£178,119	2%
CHAOS SUPPORT LIMITED	£163,652	2%
CHOICE CARE GROUP	£160,979	2%
ENTHUSE CARE	£148,010	2%
ROYAL MENCAP SOCIETY	£139,639	2%
VOYAGE CARE	£133,672	2%
B S CARE LTD	£130,797	2%
PATHWAYS SUPPORT	£129,922	2%
AUTISM HAMPSHIRE	£126,461	2%
CARING FOR YOU LIMITED	£111,685	2%
BEACONSFIELD RESIDENTIAL CARE HOME	£108,964	1%
SUMMERLANDS	£107,769	1%
ASSURE HEALTH CARE GROUP	£103,404	1%

	Q3 spend with supplier	% of Directorate Q3 spend
Children's Services and Education		
GRANNAG LIMITED	£542,301	12%
CAMBIAN GROUP LTD	£399,504	9%
ISS FACILITY SERVICES EDUCATION	£291,178	6%
BLUE SKY FOSTERING	£169,922	4%
BARNARDO SERVICES LTD	£164,232	4%
PETES AIRLINK LIMITED	£155,712	3%
HILLCREST CHILDRENS SERVICES LIMITED	£148,255	3%
SOLENT ACADEMIES TRUST	£141,175	3%
THE DE CURCI TRUST	£121,860	3%
HOME GROUP LTD	£121,535	3%
SOLENT NHS TRUST	£110,671	2%
HAMPSHIRE COUNTY COUNCIL	£106,536	2%
Culture and City Development		
A & F PILBEAM CONSTRUCTION LTD	£822,052	24%
SAVILLS (UK) LTD	£580,124	17%
STUDIO MB LTD	£313,159	9%
BH LIVE	£283,016	8%
ISS FACILITY SERVICES LANDSCAPING	£189,035	6%
GRISTWOOD & TOMS (TREE CONTRACTORS) LTD)	£106,714	3%
Finance and Information Services		
AON UK LIMITED	£604,597	41%
HR Legal and Performance		
COMENSURA LTD	£360,000	63%
Public Health		
SOLENT NHS TRUST	£1,067,249	48%
THE SOCIETY OF ST JAMES	£724,654	33%
SOUTHAMPTON CITY COUNCIL	£109,276	5%
PORTSMOUTH HOSPITALS NHS TRUST	£100,490	5%
Regeneration		
KNIGHTS BROWN CONSTRUCTION LTD	£2,428,676	45%
VOLKERFITZPATRICK LIMITED	£856,914	16%
BALFOUR BEATTY GROUP	£705,575	13%
COLAS LTD	£609,802	11%
ATKINS LIMITED	£106,542	2%



	Q3 spend with supplier	% of Directorate Q3 spend
Property and Housing		
PMC CONSTRUCTION AND DEVELOPMENT LTD	£4,778,768	19%
MOUNTJOY LIMITED	£4,010,268	16%
COMSERV (UK) LIMITED	£2,929,501	12%
D M HABENS (THE BUILDER) LTD	£1,661,421	7%
LIBERTY GAS GROUP LIMITED	£1,447,491	6%
KEEPMOAT REGENERATION (APOLLO) LTD	£1,378,867	5%
BAM CONSTRUCTION LTD	£993,911	4%
FELTHAM CONSTRUCTION LIMITED	£944,238	4%
VALE SOUTHERN CONSTRUCTION	£903,067	4%
BIFFA MUNICIPAL LTD	£722,826	3%
CANADA LIFE INVESTMENTS	£534,560	2%
CORRIGENDA LIMITED T/A CHURCHES	£466,192	2%
LAWTECH GROUP LIMITED	£456,567	2%
ABACUS LIGHTING LTD	£423,270	2%
SSE CONTRACTING LTD	£391,168	2%
COMSERV PROJECTS LTD	£311,019	1%
CEI ELECTRICAL LTD	£259,948	1%
THE SALVATION ARMY	£217,748	1%
HAMPSHIRE PARTITIONING CONTRACTS LTD	£183,956	1%
E C ROBERTS CENTRE	£155,673	1%
VEAR BUILDING SERVICES LIMITED	£151,962	1%
A PURKISS BUILDING AND DECORATING LTD	£150,443	1%
THE SOCIETY OF ST JAMES	£143,588	1%
REDS BUILDERS LTD	£117,279	0%
SPACE RENEWABLE ENERGY LTD	£116,712	0%
TWO SAINTS LTD	£111,575	0%

Section 6: Supplier Performance

	Total number of contracts	KPI score (see legend below)				Expired KPI (more than 1 year since last scored)	KPI never scored	KPI not yet due	No KPI scheduled
		Gold	Green	Amber	Red				
Jan 2016	711	46	210	22	0	34	88	247	64
Jun 2016	728	53	211	24	1	24	96	258	61
Sep 2016	672	47	219	24	3	26	91	202	60
Jan 2017	699	50	202	24	2	49	110	190	72
Sept 2017	709	58	174	27	2	36	112	191	109
Jan 2018	737	60	168	30	4	37	117	209	112

Section 6: Notes

KPIs are not scheduled for the following reasons: Temporary accommodation (32);

Key

- Gold: Outstanding performance
 - Green: Performing to standard
 - Amber: Some areas of improvement required
 - Red: Failing to perform
 - Expired KPI: a schedule is in place, and at least one KPI score has been recorded, but there has been no KPI scoring in the last 12 months
 - KPI never scored: a schedule is in place, but there have been no KPI scores for the contract
 - KPI not yet due: a schedule is in place, but KPI scores are not due yet. This includes contracts where KPIs are overdue by less than 3 months (grace period)
- No KPI scheduled: no KPI instances have been scheduled.

Overarching framework agreements (26); Concessions (12); Not subject to Procurement Regulations (10); Leases (6); Grants (5); Registration, subscription and membership fees (4); Single Supplier markets (1); and Locally commissioned services (1)

The remaining 15 contracts without KPI schedules will be investigated and addressed as necessary.

There are four contracts where the supplier is performing to an unsatisfactory level and remedial action is taking place (Red KPI score), and 30 contracts which require improvement in performance (Amber KPI score).

Reports from contract managers on those contracts with a Red KPI score and a list of those contracts with an Amber KPI score are provided in **Appendix 4** (exempt).

THIS ITEM IS FOR INFORMATION ONLY

Section 7: Supplier Performance Monitoring



Portsmouth
CITY COUNCIL

Contracts which have never had a KPI score:

Directorate	KPIs never scored			
	Total number of contracts (Q3)	Number of contracts with no KPI score (Q3)	% of contracts with no KPI score (Q3)	Annual contract value of un-scored contracts (Q3)
Property and Housing	172	37	22%	£7,039,673
Children's Social Care	24	5	21%	£3,289,738
Transport Environment and Business Support	47	10	21%	£3,182,657
Children's Services and Education	35	7	20%	£2,887,041
Finance and Information Services	112	16	14%	£2,858,982
Culture and City Development	80	18	23%	£698,392
Community and Communication	36	7	19%	£273,995
Adult Services	102	7	7%	£191,455
Portsmouth International Port	45	2	4%	£160,057
HR Legal and Performance	56	6	11%	£79,425
Regulatory Services and Community Safety	10	2	20%	£8,860
Executive	3	0	0%	£0
Public Health	15	0	0%	£0
TOTAL	737	117	16%	£20,670,275

THIS ITEM IS FOR INFORMATION ONLY



Portsmouth
CITY COUNCIL

Contracts which have not had a KPI score in 12 months:

Directorate	KPIs not scored for 12 months			
	Total number of contracts (Q3)	Number of contracts with old KPI score (Q3)	% of contracts with old KPI score (Q3)	Annual contract value of un-scored contracts (Q3)
Property and Housing	172	7	4%	£3,218,377
HR Legal and Performance	56	2	4%	£2,501,965
Adult Services	102	3	3%	£1,820,000
Transport Environment and Business Support	47	6	13%	£1,044,000
Finance and Information Services	112	10	9%	£207,611
Community and Communication	36	4	11%	£101,199
Culture and City Development	80	5	6%	£46,000
Children's Social Care	24	0	0%	£0
Children's Services and Education	35	0	0%	£0
Portsmouth International Port	45	0	0%	£0
Regulatory Services and Community Safety	10	0	0%	£0
Executive	3	0	0%	£0
Public Health	15	0	0%	£0
TOTAL	737	37	5%	£8,939,152

.....
Signed by (Director)

Appendices:

Appendix 1: Non Conformance (exempt)

Appendix 2: Waivers

Appendix 3: Payments under waiver

Appendix 4: Contract performance issues (exempt)

Appendix 5: Minutes from the Strategic Contract Management Board (03/11/17) (exempt)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location