

## **Report to the Finance & Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report reference:** *FPM-003-2018/19*  
**Date of meeting:** *21 June 2018*

**Portfolio:** Finance

**Subject:** Essex Procurement Hub SLA 2019-23

**Responsible Officer:** Shane McNamara (01992 564331).

**Democratic Services:** Rebecca Perrin (01992 564532).

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### **Recommendations/Decisions Required:**

To consider the proposal to sign an extended agreement (4 years) to allow Epping Forest DC to remain members of the Essex Procurement Hub.

### **Executive Summary:**

Epping Forest DC has been a member of the Essex Procurement Hub, which is run by Braintree District Council, since 2006. The other members are Colchester, Castle Point, Rochford and Maldon Councils. The Hub provides 3 days a week of professionally qualified procurement resource, expertise and advice to all EFDC officers, run procurement exercises on our behalf when required, and in the last 12 months has also provided access to an e-Tendering system at no extra cost.

### **Reasons for Proposed Decision:**

We are nearly at the end of the period covered by the current Service Level Agreement, and a decision is required as to whether or not we will sign the new Agreement, which commences from April 2019.

### **Other Options for Action:**

N/A

### **Report:**

#### Essex Procurement Hub

Epping Forest District Council (EFDC) has been a member of the Essex Procurement Hub (the Hub) since October 2006.

Current membership includes:

- Braintree District Council
- Colchester Borough Council
- Castle Point Borough Council
- Epping Forest District Council
- Maldon District Council

- Rochford District Council

When letting framework agreements, a condition of tender is that the successful bidder(s) will retrospectively pay to the Hub a percentage rebate on business received against the agreement. Retrospective rebates collected from Hub framework suppliers are apportioned back to its members on a pro-rata basis.

EFDC's gross subscription for 2017/18 equated to £53,710. Total rebates for 2017/18 were £38,710 and therefore the net cost of the Hub to EFDC for 2017/18 was £15,000.

Below is a list of Hub framework agreements that were available for use nationally during 2017/18:

- Corporate Website Design
- Janitorial Supplies
- Grounds Maintenance Equipment
- Sweepers
- Oil Boilers
- Playground & Outdoor Gym Equipment
- Consultancy for Construction based Projects
- Refuse Freighter, outright purchase
- Webcasting
- Car Park Equipment
- Refuse and Recycling Products
- Street Sweepings Arisings

#### Selected projects completed in conjunction with the Hub:

NWA License – The Hub helped conduct the exercise that led to the awarding of the NWA License, increasing the revenue income by £30,000 per annum for the Council whilst improving the service provided via a new supplier.

Arboricultural Maintenance Works – a new 5 year contract with a potential 2 year extension was recently agreed with our incumbent supplier successfully retaining the contract and displaying best value against competitors.

Wayfinding (Waltham Abbey) – this project was delivered successfully and comfortably within the budget available to improve the signage in and around Waltham Abbey.

HR and Payroll System – this was procured collaboratively with Braintree and Colchester Councils and has been implemented across all three authorities.

#### **Resource Implications:**

The expected net cost of the Hub Sla to EFDC is £156,450 over the four years; this includes estimated rebates of £63,160 across that period. However, this estimate is a conservative one and we anticipate the net cost to be less than this over the period; to put it into context, the current SLA (2015-19) had a full subscription cost of £211,420 and rebates collected to the value of £189,360, leaving an expected net cost to EFDC for the four years of £22,060 (2018/19 is not yet complete so this figure may be subject to some change).

The cost of the e-Tendering system that is provided by the Hub as part of the service provision is £4,500 per annum. Therefore this cost would be incurred by EFDC should we

decide not to sign the new SLA, as there is a legal obligation to use electronic methods of tendering from October 2018.

A full cost breakdown has been provided in the Appendix.

By working in conjunction with the Essex Procurement Hub, the Council made savings of £1,194,991 against agreed budgets over the course of the current SLA (2015-2019) through best practice procurement exercises; these savings can subsequently be used to further improve services for the local community and/or to keep the District's Council Tax low. A full savings breakdown has been provided in the Appendix. As you will see, the benefits of using the Hub over the period are significant and further benefit will certainly be gained from signing a new agreement.

#### **Legal and Governance Implications:**

Working with the Essex Procurement Hub helps the Council to fully comply with both UK Law and EU Procurement Regulations. Internally, EFDC Procurement aims to ensure officers are complying with Procurement Rules and Financial Regulations as well as promoting best practice.

#### **Safer, Cleaner and Greener Implications:**

N/A

#### **Consultation Undertaken:**

The Assistant Director of Resources (Accountancy) has been consulted on this report.

#### **Background Papers:**

N/A

#### **Risk Management:**

If procurement is not co-ordinated and controlled, it is unlikely that the Council will achieve value for money.

Failure to comply with the EU Procurement Regulations could result in the UK High Court preventing the award of a contract and/or awarding damages to any supplier who has suffered loss or damage as a result of any breach in the regulations, as well as imposing fines on the authority.

## **Due Regard Record**

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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The report relates to the creation of the Council's Procurement Strategy 2015 – 2020. During the creation of the strategy, it has been considered that the Council has a duty to promote equality of opportunity and as such aims to achieve a robust and consistent approach to ensuring equality in the delivery of services. To help achieve this, the Council aims to ensure that suppliers are, as a minimum, compliant with relevant legislation both at the selection and award stage and throughout the life of a contract. The Council will proactively work with key suppliers to promote equality and positive practices in their operations and in the provision of services to customers on behalf of the Council.