

Report to	<b>Audit Committee</b>
Date	<b>18 January 2012</b>
By	<b>Director of Corporate Services</b>
Title of Report	<b>Report on Major Procurement Tenders and Internal Audit Recommendations.</b>
Purpose of Report	<b>To highlight the progress on major Procurement Tenders and address the recommendations made by Brighton &amp; Hove internal Audit</b>

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**Recommendation: The Committee is recommended to**

**1). note the updated progress on major procurements across the South Downs National Park in the following areas Corporate Information, Computing and Technology (ICT), Legal Services, Financial Services and Refurbishment of Capron House.**

**2). note the progress the South Downs National Park Authority (SDNPA) is making with regard to the internal recommendations made by Brighton and Hove Internal Audit recommendations.**

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**1. Introduction**

1.1 The South Downs National Park Authority (SDNPA) is currently undertaking a number of procurements for support services and this report details the progress that has been made in achieving the deadlines for these procurements.

**2. Background**

2.1 The procurement process was initiated following approval from the Resources and Performance Committee, to secure a range of support services from outsourced providers, as set out in a report to the Resources and Performance Committee in June 2011.

2.2 The Procurement Manager liaised with key internal stakeholders within Corporate Services, including the ICT Manager, the Estates Manager and the Performance and Business Planning Manager to develop a timetable which is in compliance with Public Procurement Regulations, ensures value for money and enables the SDNPA to award a contract before existing contractual arrangements end.

2.3 The approval to purchase Capron House was given by SDNPA on the 15 February 2011, and this will necessitate the need to refurbish the property.

2.4 The refurbishment of Capron House is a capital project and no existing contractual arrangements are in place.

**3. Procurement Update**

3.1 **ICT:** The deadline for expressions of interest and submissions of Prequalification Questionnaires (PQQ) expired on the 5 December 2011. The SDNPA received 14 completed Questionnaires by the due date.

3.2 These are currently being scored in accordance with the criteria agreed by the Resources and Performance Committee at the meeting held 9 June 2011.

3.3 PQQ scoring and credit checks will be completed by early January 2012, where it is

- envisaged that the tender will be issued to up to 5 organisations. Tenders will be returned by late February 2012.
- 3.4 The Procurement and ICT Managers are currently finalising the Invitation to Tender (ITT) following consultation across the SDNPA. All data regarding this procurement will be held on a separate hard drive, and only authorised staff will have access the information on it.
- 3.5 **Legal Services:** Negotiations are on-going with West Sussex County Council to extend the existing contractual agreement beyond the expiry date on 30 March 2012 to 30 June 2012.
- 3.6 The end date for the contract coincides with the potential end dates for the Financial Services and ICT contracts and it was seen as a risk to be handing over another contract for support services at that time, when legal advice may well be required. Keeping the existing provider, who is familiar with the SDNPA helps mitigate this risk.
- 3.7 The extension to the existing contract will also allow the Performance and Business Planning Manager capacity and time to develop a more appropriate specification which properly reflects the operational requirements of the SDNPA for the next 3 to 5 years. This will be done by undertaking internal and external consultation and carrying out some benchmarking with other National Park Authorities and other similar organisations.
- 3.8 Legal Services are classed as a Part B Service, under the Public Procurement Regulations and are exempt from the Official Journal of the European Union (OJEU) process, although the principles of fairness and transparency apply.
- 3.9 **Corporate Financial Services:** PQO's were received from 3 organisations and following a robust evaluation process, all 3 there selected to receive the tender which was issued on 21 November 2011 and due to be returned at noon on the 3 January 2012.
- 3.10 Following the issue of the invitation to tender one on the organisations declined to participate further, citing resource issues.
- 3.11 Tender clarification questions were received by 28 November 2011 and responses issued on the 3 December 2011.
- 3.12 Returned tenders will be evaluated between 9 and 20 January 2012
- 3.13 **Refurbishment of Capron House:** Expressions of Interest have been sought through the recently let East Sussex County Council Framework arrangement under three of the lots. These lots comprised of the following disciplines:
- multidiscipline consultants including architecture, mechanical and electrical services and structural services to undertake feasibility study and produce initial design options/costs;
  - project management/employer's agent consultants to lead technical project management; and
  - cost consultants
- 3.14 Out of the eight suppliers on the framework for the multidiscipline lot, 7 confirmed that they were interested receiving a tender under the terms of the mini competition. The selection criteria has been agreed and submissions are due to be returned on 10 January 2012. The contract will be awarded by 19 January 2012.
- 3.15 The bids for the cost and project management consultancy is due to be returned at the end of January 2012 and the contracts are to be awarded mid February 2012.
- 3.16 Other Procurement Developments**
- 3.17 In September and October 2011 the SDNPA undertook with Brighton and Hove Council two training days covering a number of areas including:
- how to raise a Purchase Order;
  - how to raise an Invoice;
  - the need to Tender or obtain quotes depending on the level of expenditure and;

- the importance of planning ahead and obtaining value of money when awarding contracts:

- 3.18 The events were well attended with approximately forty staff attending.
- 3.19 The SDNPA is also updating the procurement guide, including standard templates and guides for officers to use throughout the procurement process.
- 3.20 The SDNPA is also currently developing a contract database, which will form part of a central database for reporting and monitoring contracts and this is due to be implemented fully by March 2012.
- 3.21 As part of the Financial Services Contract, internal audits are conducted on a regular basis. The latest report undertaken in October 2011 made the following recommendations based on a selection of 5 high transaction values:-

Recommendation	Action implemented by Procurement
Develop a Contract Register by 31 January 2012 and develop an Authority for Expenditure Form and an Award Report Form. Medium Priority.	Procurement Manager to develop a Contract Register and Award Report Form all to be completed and rolled out across the SDNPA by 31 March 2012.
All future procurements will be made in accordance with Contract Standing Orders. Significant payments will be reviewed as part of the Contract Registers by 31 March 2012. High Priority.	Procurement Manager to develop a contract register by March 2012, this will ensure that Contract Standing Orders are followed and that reporting information is obtained by March 2012.
Duplicate Payments: staff should be reminded of the need to raise orders for all purchases and the payments made monitored against the initial order value.	Procurement Manager in conjunction with Brighton and Hove Payments Team have undertaken two training sessions detailing the procedure to pay suppliers across the SDNPA. These were held on the 30 September 2011 and the 5 October 2011.

- 3.22 In addition, to implementing the recommendations of the internal audit report, the Procurement Manager has introduced a Procurement Guide for Officers and Members to access via the intranet. This is based on the SDNPA Contract Standing Orders and sets out the procedure and process which officers need to follow to attain value for money when sourcing goods and services.

#### **4. Resources**

- 4.1 A significant amount of time is required from key managers throughout the procurement process and especially during tender development and evaluation.
- 4.2 The Procurement Manager will implement the changes and conduct any associated training for officers.

#### **5. Risk management**

- 5.1 Given the tight timescales for all 4 procurement projects, good management of the process is requirement to mitigate missing deadline and scope creep.
- 5.2 In making certain that the procurement procedures are followed and that competitions are undertaken in accordance with the contract standing orders ensures that Value for Money considerations are adhered to.

**6. Human Rights, Equalities, Health and Safety**  
6.1 There are no implications arising from this report

**7. External Consultees**  
7.1 None

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Appendices	None
SDNPA Consultees	Chief Executive Officer, Director of Corporate Services, Head of Planning, Director of Strategy and Partnerships, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.
Background Documents	Report RPC 08/11 Report RPC15/11 Report RPC 16/11