

Agenda item:

[No.]

Cabinet Procurement Committee

On 22 July 2010

Report Title: Haringey Council's adoption of the CompeteFor portal	
Report of: Julie Parker, Director of Corporate Resources	
Signed :	
Contact Officer : Paul Carlisle Telephone: 020 8489 2140	
Wards(s) affected: All	Report for: Key Decision
<p>1. Purpose of the report</p> <p>1.1. This report seeks approval for all future non-construction procurement opportunities are advertised through CompeteFor, and shortlisted through the portal where relevant.</p>	
<p>2. Introduction by Cabinet Member</p> <p>2.1. I support the recommendation in the report.</p>	
<p>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</p> <p>3.1. The use of CompeteFor will assist the Council in achieving objectives outlined in the Procurement Strategy, in particular: -Value for Money, as it allows a more efficient use of Council resources and greatly facilitates the use of competition in obtaining services</p>	

-*Sustainability*, as it makes the pre-qualification stage of the procurement process, paperless
-*Providing excellent services*, as it ensures that a wide range of potential suppliers are invited to participate
-*Transparency*, as all contracts will be advertised consistently through the portal and provides useful management information.
-*Supporting the local economy*, as it further opens up the supply chain to small and medium sized enterprises who perhaps would have struggled to access relevant opportunities, and will allow the Council to oblige its contractors to advertise a percentage of sub-contracting opportunities through the portal and to trace the number of small and medium-sized enterprises that win contracts in this way.

4. Recommendations

4.1. It is recommended that a policy be implemented whereby the CompeteFor portal would be used to advertise the following types of opportunity: open tender procedure, restricted tender procedure, requests for quotations.
In addition it would be used to shortlist bidders when using a restricted procedure and an open non-OJEU procedure.

5. Reason for recommendation(s)

5.1. This policy would maintain Haringey Council at the forefront of procurement best practice in terms of making contracts available to local and small companies. The Council is committed to implementing the recommendations of the HM Treasury report “Accelerating the SME economic engine- through transparent, simple and strategic procurement”. CompeteFor will allow the Council to put into practice almost all of these recommendations, and in particular that:

- “Contract opportunities above £20,000 across the public sector should be advertised electronically...through a single, free, easy to search online portal”
- “no paper-only tenders after 2010” and “all tenders to be electronic after 2012”
- “government should expect and enable prime contractors to make their sub-contracting opportunities accessible through the single, online portal”.

5.2. The adoption of CompeteFor will greatly reduce the administrative burden that procurement processes currently place on Council officers. A paper-based pre-qualification questionnaire must be scored manually, and the supporting documents must be evaluated for every company that expresses an interest.

The new CompeteFor process means that the scoring is carried out electronically by the portal. The results are available to officers immediately after the closing date and time. Furthermore only the supporting documents of those suppliers that are successfully shortlisted need to be evaluated.

Below is a list of the opportunities that have been placed on CompeteFor showing the number of supporting documents that officers would have had to evaluate under the paper-based system, along with the number, in parenthesis() that were actually evaluated:

- Mobile enforcement vehicles- 13 (4)
- Cleaning services in Haringey Heartlands School- 75 (19)
- Passenger transport- 37 (31)
- Short courses and IT training- 81 (20)
- Learning and development in adult social care- 70 (20)
- Fraud management system- 22 (5)
- Executive coaching- 82 (40)
- Webcasting- 12 (4)

Therefore the total number of evaluations for these six procurement exercises was reduced from 392 to 143. The estimated cost to the Council in terms of staff resources to carry out a financial evaluation of 392 bids is £8000, meaning that a non-cashable saving of £5000 has been made by this pilot. Further efficiencies have been made by a reduction in the number of health and safety polices, equalities polices, etc, having to be evaluated by Council officers.

- 5.3 During the pilot cashable savings were achieved with bids coming below budget for certain projects.. Current market conditions during the economic recession will have contributed to much lower prices than expected being obtained, and CompeteFor was an effective enabling tool to optimise value for the Council. As CompeteFor supports officers' use of competition in obtaining Council goods and services, this could be reproduced across all departments and projects.
- 5.4 The use of CompeteFor will give Corporate Procurement a new insight into cross-Council procurement. Reports will be provided on a regular basis containing valuable information that will increase CPU's ability to monitor procurement and make strategic decisions based on the data. It will also increase transparency and assist the ability to undertake audits.

6. Other options considered

- 6.1 To continue with the present manual process- however this would not allow procurement best practice and HM Treasury recommendations to be implemented.
- 6.2 To purchase a commercially available shortlisting tool- however CompeteFor has a number of advantages over this option:

-It is free of charge until September 2012. After this date an annual fee of £4000 will be levied for unlimited access, far less than both the cashable and non-cashable savings that the portal will allow the Council to achieve.

-There is a buyer engagement team, who will work with officers to implement the system across the Council. This service is provided by the London Development Authority at no cost to the Council until September 2010; however this is sufficient time for the Council to benefit from this funding.

-There is also a supplier engagement team, who will work with the Council's current suppliers to ensure that they are able to make full use of the system. This team will also support local SMEs to register on the system and become fit to supply. Again this is provided at no cost to the Council until September 2010, which is sufficient time for the Council to benefit. After this date the role will be carried out by business support organisations that already receive funding from the Council and the European Regional Development Fund.

-Small companies are often asked to register on a different portal for every organisation that they wish to do business with; however CompeteFor would negate this problem as it is a national portal used by a growing number of both public and private sector organisations.

-CompeteFor has the ability to send out alerts to Haringey-based companies when contract opportunities are published.

7. Summary

7.1. Haringey Council should use the CompeteFor portal for the majority of its procurements, as it will assist small, local companies in accessing contracting opportunities, and will simplify the procurement process for Council officers.

8. Chief Financial Officer Comments

8.1. The Chief Financial Officer notes that both the use of the portal and the services provided by the buyer and supplier engagement teams are free of charge to the Council at least until the 2012.

8.2. The use of the portal to date has also shown that it can help deliver real efficiency savings from reduced officer time spent on evaluations and also in driving down provider charges.

8.3. The recommended policy will need to be reviewed should the LDA review the conditions attached to using the portal in the future.

9. Head of Legal Services Comments

9.1. The use of CompeteFor would comply with the Council's Contract Standing Orders.

9.2. Contracts with a value above the EU threshold (currently £156,442 for contracts

for supplies and services) would also need to be advertised in the Official Journal of the European Union.

9.3. This is a key decision and the Directorate has confirmed that it has been included in the Council's Forward Plan.

9.4. Subject to 9.2 above the Head of Legal Services sees no legal reasons preventing Members from approving the recommendation in paragraph 4 of the report.

10. Head of Procurement Comments

10.1. Trials undertaken by Haringey of this Olympics procurement portal have been successful. A number of potential issues were identified and formally notified to the software development team and all fixes have been implemented to Haringey's satisfaction.

10.2. Haringey and the London Development Agency have worked closely on the CompeteFor trials and we are very confident of the product and the efficiencies it delivers.

10.3. The intention of the policy contained in this report to Members, is for all procurement opportunities to be advertised consistently and transparently through a single on-line portal. Suppliers will be made aware of this new policy and how to access the information.

10.4. Adoption of CompeteFor will be a very useful procurement tool that will help deliver efficiencies and stimulate effective competitive; thus leading to value for money.

11. Equalities & Community Cohesion Comments

11.1. CompeteFor will further open up Haringey Council's supply chain to ethnic minority-owned businesses. It will allow accurate monitoring of the number of black, Asian and minority ethnic businesses that both apply for and are shortlisted for contract opportunities.

12. Consultation

12.1. CompeteFor was established after extensive consultation with many private

and public sector organisations, as well as numerous small and medium-sized enterprises.

12.2. Its adoption followed consultation and a pilot involving various Council departments, including Organisational Development and Learning, Parking Services, IT Services, and Sports and Leisure Services. The evaluation criteria were developed with the aim of simplifying the process for SMEs, and followed extensive consultation with Finance, Health and Safety, Equalities and Environment and Sustainability. Following the pilot these departments will be consulted again in order to further improve the process.

12.3. Haringey-based SMEs have been consulted throughout the pilot, and have been given tailored assistance to help them register on the portal. CompeteFor staff have attended a number of events with Corporate Procurement, such as the Supply Haringey Meet the Buyer day and the North London Chamber of Commerce networking lunch.

13. Service Financial Comments

13.1. At present there are no financial implications for the Council as there is an absolute assurance from the London Development Authority that both the use of the portal and the services provided by the buyer and supplier engagement teams are free of charge until after the Olympic Games in 2012.

13.2. After this a small annual fee of £4000 will be charged which will be contained within existing budgets.

13.3. The CompeteFor portal is hosted by BiP solutions, a professional software company. Therefore there are no risks surrounding the storage of data.

14. Use of appendices /Tables and photographs

None

15. Local Government (Access to Information) Act 1985

15.1. None of the information in this report is exempt under this Act.