

28 March 2019 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks



Audit Committee

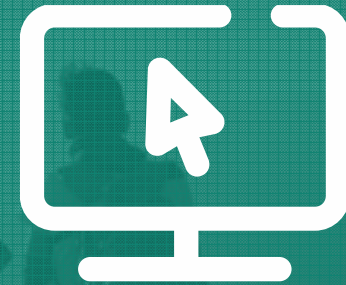
Supplementary Agenda

	Pages	Contact
5. Member Development - Procurement and Contract Procedures	(Pages 1 - 14)	Richard Wilson Tel: 01732 227262
9. Internal Audit Plan 2019/20	(Pages 15 - 16)	Russell Heppleston Tel: 01732227053

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

This page is intentionally left blank



Understanding Council Procurement

Richard Wilson – Chief Officer Environmental and Operational Services

What is Procurement

- The process of purchasing goods, services and works
- Public procurement can be defined as the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought

The 'Big Spenders'

Direct Services	Vehicles Diesel Waste Disposal Sacks Parts Agency Staff
IT and Facilities Management	IT Equipment/Licences/Support etc. Mail Stationery Copiers Telecommunications
Others Environmental Health Parking Property Amenities CCTV Communications Planning Community Development Revenues and Benefits	Consultants Pay & Display Machines, Signing/Lining Maintenance/Energy Ground Maintenance/Playgrounds/Arboricultural Work Maintenance/Transmission costs "In-Shape" Consultants and Specialists Grants and Commissioning Agency Staff

What is Procurement

- There are legal requirements and Council rules
- Specify so you get what you want
- Select suitable suppliers - open process or pre-selection
- Achieve efficiency/savings
 - 1% - £4.2 million = £42,000
 - 5% - £210,000
- Evaluate bids - make the right choice
- Achieve value for money
- Consider wider impacts
- Protects the procurer - contractual arrangements
- Public procurement can be defined as the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought

The Council's Procurement Rules

The Framework:

- Financial procedure rules
- Contract procedure rules
- EU Public procurement directives
- Public Contracts Regulations 2015
- Local Government (Transparency Requirements) (England) Regulations 2015

The Council's procurement thresholds:

- £0 to £10,000 - one written quote in advance
- £10,001 to £74,999 - three written quotes in advance
- Over £75,000 up to the EU procurement threshold - at least three tenders, formal opening, Cabinet member approval and contract
- At or over EU procurement thresholds - OJEU Tender process
- Supply and Services Contracts - £164,176
- Works Contract - £4,104,394

A Few Principles From These Rules

- All purchases however small shall be in writing and have an official order with few exceptions.
- All orders over £25,000 will be subject to the Contract Procedure Rules
- All contracts of a value of £10,000 or more or which involve a substantial risk to the Council must be subject to a written risk assessment.
- All quotation/tender opportunities over £10,000 need to be advertised on the Kent Business Portal and if above £25,000 (see below) on the Crown Commercial Service portal 'Contract finder'.
- There are additional recommended requirements for greater disclosure in the Local Government Transparency Code. This includes monthly (or preferably real time) publication on Contracts Finder of every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000 (and a lower threshold of £500 is recommended)

The Importance of Specification

Performance	<ul style="list-style-type: none"> • Output or desired function or properties • Standards compliance and quality • Maintenance requirements • Expected Life • Residual Value
Design Function and Application	<ul style="list-style-type: none"> • Type, style and capacity • Materials • Essential or associated equipment • Optional Extras
Dimensions	<ul style="list-style-type: none"> • Product measurements (L x W x H) • Critical In-use or operating measurements
Finish	<ul style="list-style-type: none"> • Finish type or colour • Additional surface finishes
Delivery	<ul style="list-style-type: none"> • Availability or production lead time • Delivery date • After-sales support

Value For Money

Definition reminder:

- ‘The best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought’.
- Advertise on Portal to attract competition
- Best value
- Most economically advantageous
- Not the cheapest
- Get what you want
- Get what you pay for
- Recourse to a ‘contract’

External Impacts

- Social
- Environmental
- Economic

Suggested Evaluation Criteria

- Pre-Qualification Questionnaire response
- Price
- Compliance with Specification
- Quality & Technical Merit
- Performance data
- Method Statements
- Service life
- Whole-life operating costs
- Residual value
- On-site demonstrations
- Assessed Capability to support the contract
- Acceptance of SDC contract conditions

Weighting The Evaluation Outcome

Value for Money/Price - 60%

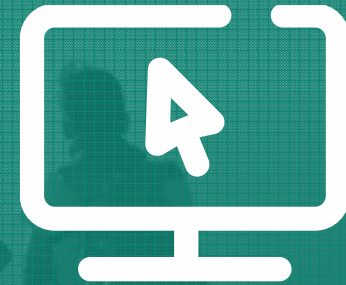
- Price
- Whole life operating costs
- Residual value

Quality Compliance and Completeness - 40%

- Questionnaire response
- Compliance with specification
- Delivery date
- Technical merit and quality factors
- Supplied method statements and performance data.
- Service life
- On site demonstration and use of equipment
- Assessed capability to support the contract
- Acceptance of existing contract conditions

Other Forms of Supply/Service Provision or Commissioning

- In-house provision
- Unique supplier or specialist competency work
- (A formal waiver from the Contract Procedure Rules would likely be required)
- Design and Build
- Negotiation
- Framework arrangement



Understanding Council Procurement

Richard Wilson – Chief Officer Environmental and Operational Services

This page is intentionally left blank

09 Internal Audit Plan - replacement for table on page 71

Agenda Item 9

Resources (corrected)

The Partnership has access to 850 chargeable audit days for 2019/20. This is an increase of 26 on the 2018/19 plan. These days are split 50/50 for **Sevenoaks** and **Dartford**, and the available days are allocated to the audit plan. We are able to ensure flexibility in how those days are deployed depending on the demand from each partner. The table below shows the allocation of the **425** audit days for Sevenoaks:

Activity	Dartford		Sevenoaks	
	18/19	19/20	18/19	19/20
Risk Management		10		10
Counter Fraud		5		5
Member Support/Training/Meetings		10		10
Follow-Up		15		15
Audit Planning		10		10
Advisory & Consultancy		50		74
Total non-audit	156	100	156	124
Available for projects	256	325	256	301
Total Days	412	425	412	425

This page is intentionally left blank