



THE LONDON BOROUGH

Procurement and Bromley

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Agenda

- 1) About Bromley Council
- 2) Procurement at Bromley
- 3) What the Council buys
- 4) Procurement processes
- 5) Supporting the local economy
- 6) Opportunities for SMEs
- 7) Future developments
- 8) Questions

About Bromley

- > Largest London Borough
 - > Crystal Palace to Orpington, Mottingham to Biggin Hill
- > Population circa 300,000
- > Spends £180M PA
- > Procurement staff: 6

Structure

7 Directorates

- >Service: Children & Young People's Services, Adult & Community Services, Renewal and Recreation, Environmental Services
- >Support: Chief Executives, Resources, Legal, Democratic & Customer Services

Member Portfolios align with these

Building a Better Bromley

- > Every child to fulfil their potential
- > Support independence
- > A quality environment
- > Safer communities
- > Vibrant and thriving town centres
- > An excellent council

Procurement at Bromley

- > Not purchasing
- > Devolved business model
 - > Procurement does not buy service specific goods, services or works on behalf of the departments
- > Procurement oversees spending
 - > advises on major spend projects, analyses spend looking for savings/collaborative opportunities, advises on the process

Procurement Aims

Aim 1 – To ensure the Council's buying power is used to promote its wider objectives

Aim 2 – To seek efficiency savings while maintaining quality services

Aim 3 – To promote and stimulate the local economy

Aim 4 – To embrace and roll out electronic commerce

Aim 5 – To develop effective systems to minimise the cost of procurement transactions

Aim 6 – To ensure fairness, transparency and probity in procurement activity.

What the Council Buys

Trade Classification (Thomson)	Total Spend	Suppliers
Waste Disposal Services	£ 15,467,420	9
Residential Care Homes	£ 10,878,833	148
Nursing Homes	£ 8,112,186	96
Civil Engineers	£ 6,269,745	6
Home Care Services	£ 5,857,177	21
Employment & Recruitment Agencies	£ 5,442,440	82
Road Surfacing Contractors	£ 4,629,904	4
Facilities Management	£ 4,490,977	4
Car Parking & Garaging	£ 2,778,024	1
Electricians & Electrical Contractors	£ 2,522,267	8
Caterers	£ 2,482,381	7
Factoring Services	£ 2,395,788	12
Builders	£ 2,195,042	38
Construction Contractors - General	£ 1,874,529	13
Landscape Contractors	£ 1,834,456	9

Contractors - Over £1m

1. Veolia Environmental Services PLC
2. Liberata UK Ltd
3. Transport Trading Ltd
4. F. M. Conway Ltd
5. Kier Street Services
6. O'Rourke Construction
7. Shaw Healthcare Ltd
8. Vinci Park Services UK Ltd
9. EdF Energy
10. Sodexo Ltd
11. Broomleigh Housing Associates
12. Waco UK Ltd
13. English Landscapes Ltd
14. British Gas
15. Coniston Ltd



What the Council doesn't buy

- > Housing maintenance- no housing stock of its own
 - > Broomleigh & other HAs
- > Schools- they have their own budgets
 - > Contact directly
- > Leisure Centres- at arms length control via a charitable trust
 - > Bromley MyTime

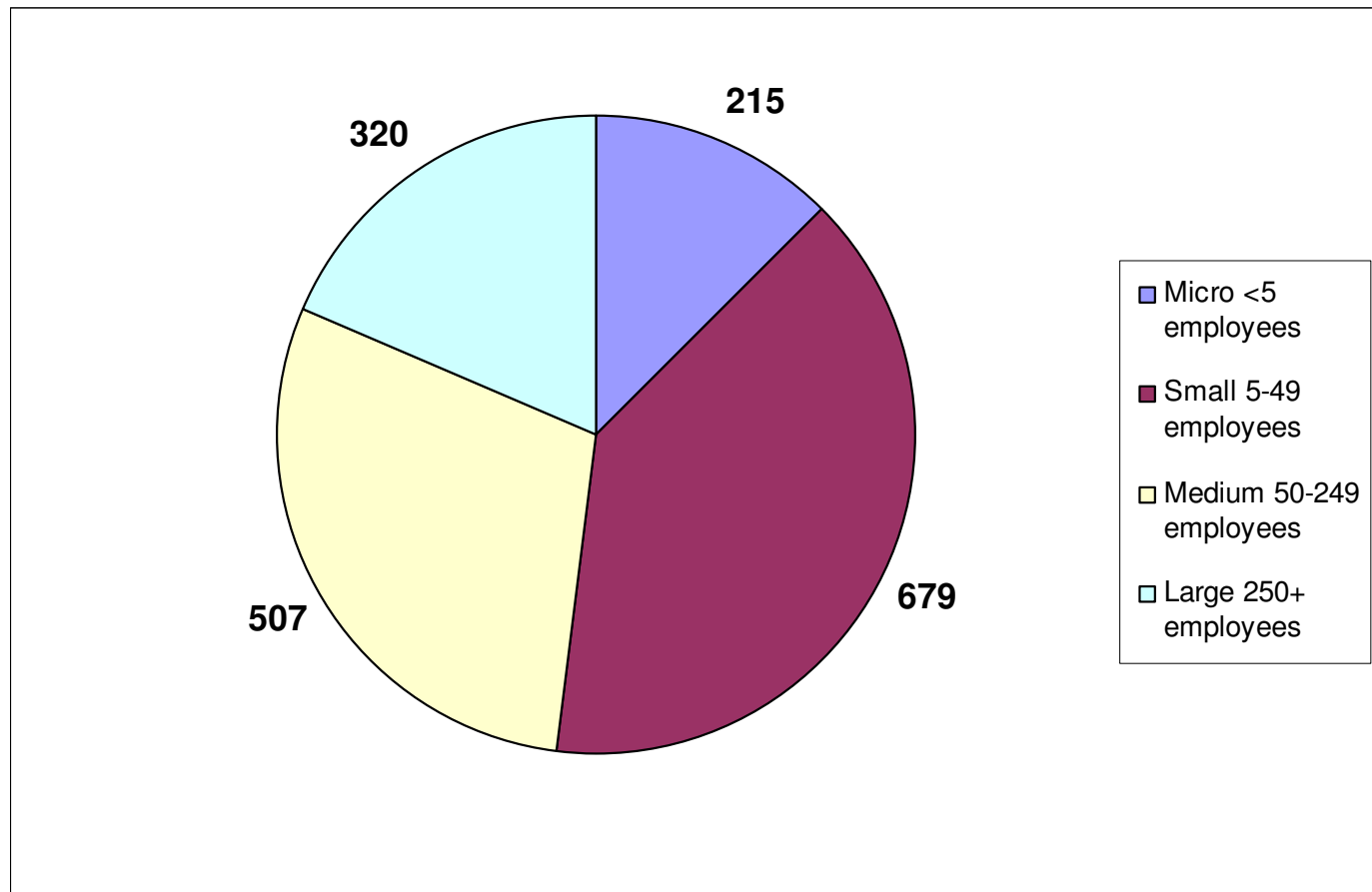
Bromley's Spend by Local Authority Area

Local Authority	Total Spend	Total Suppliers	% Of Spend	% Of Suppliers
Bromley	27,828,806.30	264	19.56	14.16
Tower Hamlets	14,713,711.88	10	10.34	.54
Walsall	14,709,796.63	3	10.34	.16
Bexley	8,113,640.09	49	5.70	2.63
Dartford	6,984,573.93	27	4.91	1.45
Lewisham	4,914,020.60	42	3.45	2.25
Cardiff	4,123,278.50	6	2.90	.32
Sevenoaks	2,445,879.63	38	1.72	2.04
Croydon	2,275,448.63	73	1.60	3.92
Salford	1,903,190.94	1	1.34	.05

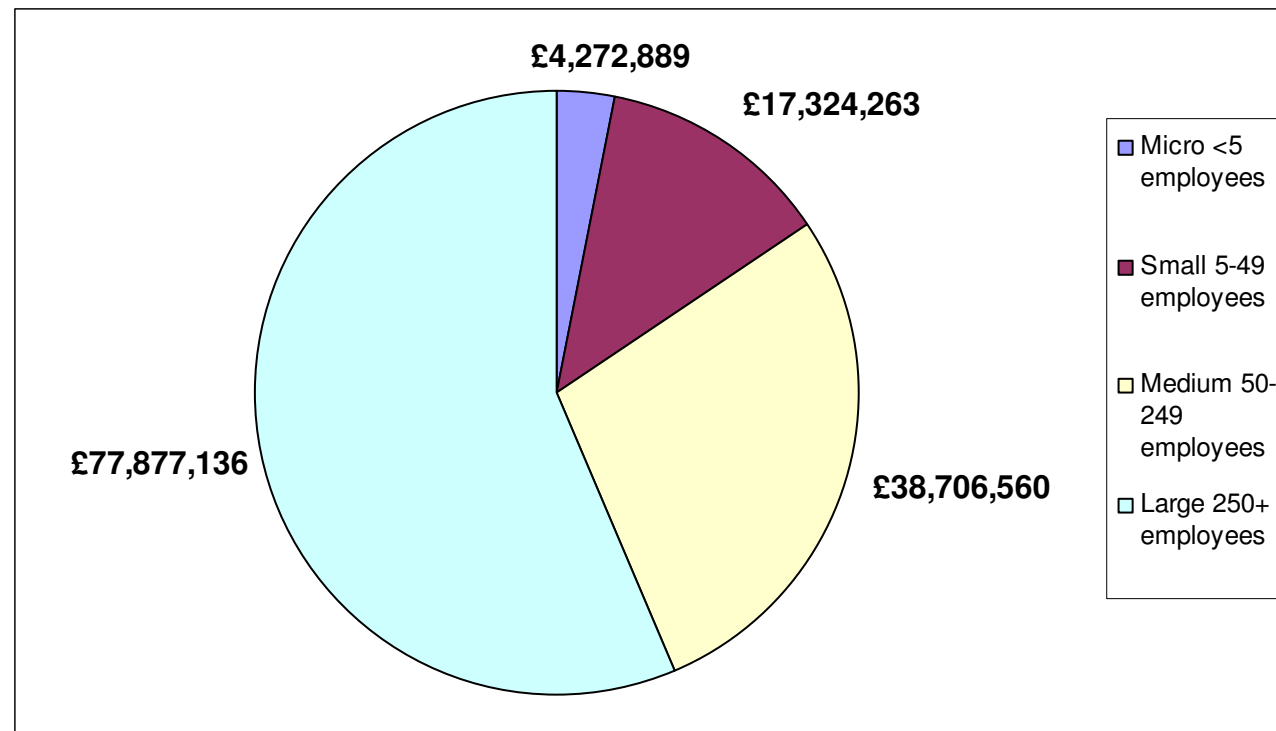
Spend by Location

- > Geography can't be a factor in procurement decisions
- > Largest number of suppliers are in Bromley- 264
- > Highest % of spend in Bromley- even though main contractors are located out of the Borough
- > Already using lots of Bromley based businesses

SME spend- by number



SME spend- by value



Procurement Processes

- > Minimum Competition Requirements
 - > £5K: Single quote
 - > £5K - £50K: 3 quotes
 - > £50K - EU Threshold: Tender Process
 - > EU Threshold+ : European Compliant Tender Process
- > Determined by whole contract value
- > Lower value contracts are officer decisions, higher value contracts are Member decisions

European Process

- > All public sector contracts above threshold should be open to suppliers from all EU member states
- > Current thresholds- £140K for goods and services, £3.5M for works
- > Many requirements on how tender is carried out; minimum time frames, advertisement in the OJEU, evaluation procedures etc.
- > All requirements must be adhered to, aggrieved bidders have recourse through the courts

Frameworks

> Bromley Framework

> Where the Council appoints one or more contractors which can be called on when needed.

> Consortium Framework

> Contract which we can buy through without the need for undertaking an independent tender exercise.

> Where frameworks are in place competition and EU requirements have already been met.

Tender Processes

Open Tender

One stage process, contractors receive all tender documents and submit bids accordingly. All tenders must receive full evaluation.

Infrequently used.

Tender Processes

Restricted Tender

Two stage process where a shortlist of contractors is drawn up before tender documents are issued.

Advert invites expression of interest, potential contractors vetted technically and financially by means of a prequalification questionnaire (PQQ).

Evaluating Tenders

- >Tenders evaluated in a fully auditable and transparent manner against the criteria provided in tender documentation
- >Contract awarded to supplier who offers best value for money with regards to price, quality and specification
- >Typically 60/40 price/quality split
- >Not obliged to accept lowest cost tender

E-commerce

- > Council uses the Oracle I-Proc e-procurement system.
- > This enables orders to be sent and invoices received electronically.
- > Can't discriminate on this basis but it is very helpful when suppliers are able to trade in this way

Supporting the Local Economy

> Geography can't be a factor in procurement decisions

> Initiatives

> Meet the buyer days

> Training days

> Contract open evening

> Build South London

> Standardised PQQs with neighbouring borough, available here:

> http://www.ogc.gov.uk/documents/core_questionnaire.pdf

> http://www.ogc.gov.uk/policy_and_standards_framework_pre-qualification_questionnaire_pqq.asp

Supporting the Local Economy

- > Changing contracts to improve accessibility
 - > Building maintenance contract
 - > Vehicle maintenance
- > Adopted SME concordat
- > Active business support programme
- > Work with Supply London
 - > over last 2 years they provided over £50K of funding for SME support activity

Opportunities for SMEs

> Construction & Related Trades-

- > call off contracts / frameworks for sub £5K work
- > £5K- EU threshold, Exor List though some categories are now closed

> Print-

- > All external print is sourced through CDS, a print management provider

> Agency Staff-

- > All agency staff through are sourced through Comensura, a neutral vendor management solution

Opportunities for SMEs

> All EU contracts in OJEU

> All contracts over £50K are listed on the London wide contracts register:

www.londoncontractsregister.com

> Some advertised in trade & local press, some make it on to the web page, however by Christmas all should be on Bromley Procurement web page.

Opportunities for SMEs

- > Sub 50K is not scrutinised by central procurement
 - > Purchases made by the departments
- > However departments need 3 quotes so get to know the contacts for the opportunity to quote
- > Get listed in the Bromley Business Directory- departments use it to source suppliers

Opportunities for SMEs

- > Get to know the major suppliers into Bromley
- > But be realistic
 - > is demand there?
 - > not going to buy from a firm because they are local, need to have the demand

Forthcoming Tender Opportunities

- > Domiciliary Care
- > Security services
- > CCTV
- > SEN Transport (mini-cabs)
- > Vegetation Clearance
- > Laundry services

Future Developments

- > Advertising all tenders on web site- by end of year
- > Using portals- Compete For
- > Online tendering- Due North
- > Bromley Business Directory provided to all staff who raise orders
- > Build South London



THE LONDON BOROUGH

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