

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>EXECUTIVE</b>
<b>DATE:</b>	<b>20 APRIL 2015</b>
<b>SUBJECT:</b>	<b>ROLL OUT OF E-PROCUREMENT WITHIN THE AUTHORITY</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>CLLR. HYWEL EIFION JONES</b>
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<b>LOCAL MEMBERS:</b>	

### A – Recommendation/s and reason/s

#### **Nature and reason for reporting**

To seek approval to roll out E-Procurement across the Authority. We will carry out a pilot in the first instance.

#### **INTRODUCTION/BACKGROUND**

##### **What is an E-Procurement system?**

The combined use of information and communication technology to procure a wide range of goods and services. An e-procurement system can simplify all aspects of the purchasing process whilst applying tighter controls over spending and product preferences. The e-procurement service aims to provide public sector buyers and their suppliers with access to online and offline tools that makes it easy to source, order and pay online. It saves time and money by ensuring best value is delivered in buying goods or services.

##### **Current Set up within the Authority:-**

Procurement is a devolved function within the Authority; many of the processes are paper based and manual. Procurement spend is circa £90m annually. No standard templates are in place to cover the procurement processes.

It has become clear that there are a wide range of activities taking place across different departments where skills and knowledge differ within departments.

Some electronic tendering is taking place within the Authority; tenders are returned via Sell2Wales but there is no means of electronically evaluating tenders, these are all paper based which is time consuming and resource intensive.

##### **Proposal:-**

As part of the Procurement Improvement Project, a procurement strategy, procurement policy and a procurement handbook have been drafted in order to direct procurement within the Authority and ensure that all processes are compliant and efficient. The handbook has been designed in order for all departments to procure in accordance with the Authority's Contract Procedure Rules and EU Regulations. Standard forms and documents as well as process maps of different procurement routes have been designed. We will also deliver training to departments on the use of E-tender Wales.

### **We are proposing to roll out E-tender Wales, benefits would include:-**

- Structured best practice process for consistency;
- Security, audit trails and high availability infrastructure;
- Functionality to reduce administration and allow better focus on robust evaluation and better decision making;
- Electronic approach supports sustainability agendas;
- Faster turnaround time;
- Reduction of administrative overheads;
- Available fraud protection mechanisms;
- Access to information 24 hours a day;
- Ease and speed to notify of changes or clarifications to the tender documents;
- Ability of bidders to modify or withdraw their bids at any time prior to the close of the tender;
- Elimination of arithmetic errors;
- Incomplete bids are automatically rejected, thereby giving bidders the opportunity to correct them;
- Arguably expands the market by allowing smaller companies greater access, regardless of location, to respond in a cost-effective way without the traditional concerns of how to get the bid in on time;
- Arguably expands the market to a greater number of bidders and to bidders to a greater number of projects.

### **The benefits to Suppliers include:-**

- Access to your projects at any time, anywhere via web portal;
- Eliminates postal, printing and storage costs;
- Structured process and online questionnaires help you achieve compliant responses;
- Electronic approach means a faster process meaning less time spent on administration and faster award decisions.

### **Why should the Authority be interested?**

From the small number of authorities who have implemented fully working e-tendering solutions, there is growing evidence that e-tendering solutions can deliver benefits to an authority:-

Savings in process costs of up to 15% for a Request for quotation, up to 25% for a non-Official Journal of the European Union (OJEU) tender and up to 28% for an OJEU tender.

Valuable intangible benefits such as better management of the tender process, increased transparency of decision making and a reduced potential for disputes.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

With reference to the ‘Smarter Working Project’

The Corporate Plan 2013-17 states that in the future *“all interaction, internal and external, will be enabled electronically. Face to face and other routes will exist, for those who need it. By changing the systems it will free staff up to get on and ‘do their job’ within clear boundaries and using processes which are robust yet agile.”*

The work being undertaken through the *Smarter Working Programme* is helping to shape Anglesey’s ICT Strategy. It is through understanding how we will be working going forward that will define the direction and use of ICT in the IoACC.

In order to deliver on our corporate objectives, it is recognised that there are a number of pre-requisites that must be achieved, which includes:-

- Services must be supported in adopting wider use of technology to enable more efficient and effective delivery of their services.

It is envisaged that the work streams within the *Smarter Working Programme* will support the Authority in meeting the pre-requisites, whilst also:-

- Enabling staff to move and work easily between roles and services as a result of standardised equipment and processes;
- Improving service delivery through the integration and harmonisation of ICT processes; and
- Reducing the overhead running costs of the Council.

**Guidance on Efficiencies and Good Practice**

Through the development of the project, a number of areas of good, and not so good, practice were identified. There is an opportunity to bring together a number of key areas for improvement that can be addressed, in part, by offering the right guidance and signposting.

It is the recommendation of this case that a policy for staff is developed covering effective working practices.

Local Economy – with regards to the Local SME’s, Business Wales are working to promote the SQID (Supplier Qualification Information Database) in order for suppliers having only to respond once to questions relating to tenders. Information will be held on the database and suppliers will only be required to fill in once, leading to less work for the suppliers. All opportunities are advertised via Sell2Wales in order to promote competition and ensure SME’s have the opportunity to submit a bid for tenders.

There is no cost associated with purchasing the system, it’s free of charge via Welsh Government, however, if we were to use Electronic Auctions etc. there would be costs associated.

**C – Why is this a decision for the Executive?**

We are seeking approval to roll out E-procurement within the Authority.

**CH – Is this decision consistent with policy approved by the full Council?**

**D – Is this decision within the budget approved by the Council?**

N/A

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Approved in SLT 23 March 2015
2	<b>Finance / Section 151</b> (mandatory)	This is a Section 151 Officer report.
3	<b>Legal / Monitoring Officer</b> (mandatory)	Comments received and documents amended to reflect the changes
5	<b>Human Resources (HR)</b>	
6	<b>Property</b>	
7	<b>Information Communication Technology (ICT)</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	
<b>E – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	Comments received and document amended to reflect the changes
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		