

Minutes of the meeting of PROCUREMENT AND COMMISSIONING held on TUESDAY 1 SEPTEMBER 2015 at 5.30 pm

Present: Councillor O'Neill (Chair)
Councillors Clifton and Middleton.

Officers: D Sharkey (Corporate Director Place), S Gerrard (Interim Service Director [Legal & Democratic Services]), D Wilkinson (Interim Partnership Director [Milton Keynes Service Partnership]/Assistant Director [Audit & Risk Management]), D Beaumont (Partnering Manager), P Loose (Elections Officer), L Shepherd (Solicitor) and T Milner (Committee Manager).

Also Present: Councillors Ganatra and Morla.

Apologies: Councillors Betteley, E Gifford, Legg, Long, Marland and Miles.

PC38 DISCLOSURE OF INTERESTS

None declared.

PC39 MEASURES TO STRENGTHEN PROCUREMENT PRACTICE AND PROCEDURES

The Committee considered possible measures to strengthen procurement practices and procedures, following a recent High Court Judgement.

The Committee heard from Councillor Middleton, responsible Cabinet member for Resources and Commercialism, who indicated that the Council had responded swiftly in response to the judgement handed down from the High Court, Technology and Construction Court on 14 July 2015, regarding the legal action that challenged the Council's award of the Asbestos Removal contract on 19 January 2015. Consequently, a number of measures to strengthen the procurement practice and procedures had already been introduced, along with a number of additional measures currently under review, to be put into place in due course. The improved measures included:

- (a) Amendments to the Procurement Handbook;
- (b) The Corporate Procurement Team and Legal section specialists being present at all moderation sessions for Official Journal of the European Union (OJEU) tenders, until specialist training had been fully delivered;
- (c) Improvements to the Tender Request Form; and
- (d) Corrective action on all current OJEU level procurements, as deemed necessary where evaluation processes might not have met the high standards highlighted by the Judge.

The Committee heard from Councillor Morla, who highlighted the duration of committee meetings and suggested that there appeared to be insufficient time spent considering the various items.

In response, Councillor Middleton indicated that the Cabinet had reviewed the Cabinet Procurement Committee process, which had changed with effect from February 2015 (Minute PC92 refers) and agreed that meetings had been more focussed during 2014/15 than previously and likewise for Procurement and Commissioning during 2015/16. However, he did not agree that tax payers' money was not being well spent and advised that items were considered in full and due process was being followed.

The Corporate Director - Place indicated that a formal lesson's learnt exercise was being undertaken, to ensure that the Council fully understood the issues highlighted by the Court ruling. Additionally, amended practice and appropriate policies would be put into place, in advance of re-tendering the Asbestos Removal contract before May 2016.

The Chair informed the Committee, that she welcomed the scrutiny of the process and advised that representatives from the Conservative and the Liberal Democrat Groups were very welcome to attend Procurement and Commissioning meetings. The Committee noted that, in the past there had been very little scrutiny from either of the political Groups and that the Cabinet would welcome their input and attendance.

Councillor Ganatra questioned:

- (a) What the overall cost, indicating the legal opinion, of the judgement was to the Council?
- (b) How the legal opinion came about?
- (c) Would the costs have been any different had the contract been rescinded?

Councillor Middleton advised, that, Procurement and Commissioning transacted millions of pounds of procurement on behalf of the Council, and the process that was in place was extremely well organised. Good advice was sought, followed through and paid for in respect of areas of procurement. He also referred to the timeframe of a re-tender exercise.

It was also reported that in respect of this procurement exercise, there was no process failure. However, as a consequence of the Judge's re-measurement of the officer's Most Economical Advantageous Tender (MEAT) evaluation, the judgement was against the Council and in favour of the claimant.

The Interim Service Director (Legal and Democratic Services) concurred with Councillor Middleton's view that the judgement was not on the procurement process, or the overall quality of the report. The Service Director reported that all councillors were included in

the distribution of agendas for Procurement and Commissioning and were entitled to attend and scrutinise the items for discussion at meetings.

The Interim Service Director (Legal and Democratic Services) also indicated that some work on evaluation was not robust in the opinion of the Court and it was therefore necessary to rescind the contract. The issue of the quality of the information which is found in the MEAT evaluation would be addressed as part of the lessons learnt exercise. Procurement and Commissioning was reminded that it was not unusual that the MEAT evaluation scoring was close.

The Partnering Manager, in response to Councillor Ganatra's query on costs to the Council, advised that to-date, £87k had been paid to the plaintiff and the Council's own costs had been £71k. It was reported that a more definitive figure for final costs could not be provided at present, but would be available in due course.

RESOLVED -

That the new measures to further strengthen the Council's procurement practice and procedures, alongside those planned to be introduced in the coming months, be noted.

PC40

INVITATION TO TENDER – PRINTING FOR ELECTIONS AND ELECTORAL REGISTRATION 2016/18 (REF: CU2504)

The Committee considered inviting tenders for separate contracts for the Printing of Elections and Electoral Registration materials for the period 2016/18.

The Committee heard from Councillor Middleton, the responsible Cabinet member for Resources and Commercialism, who indicated that lessons learnt had been taken into consideration, including the need for greater flexibility to ensure that legislative changes could be accommodated. Additionally, in respect of areas of change and improvement, a separate quotation for postage costs would be included as part of the tender. The new contract period was due to commence from 1 January 2016 until 31 December 2018.

The Committee heard that the Most Economically Advantageous Tender evaluation criteria incorporated robust factors, with a weighted tender price of 50% as part of the specification.

It was reported that the elections printing contract would cover printing for all local and national elections, and that the registration contract would cover printing for the annual canvass of the Register or Elections. Additionally, other printing requirements would include the annual post vote refresh.

The Committee also heard that alternative options had been considered, that included a one year contract, a combined Election and Electoral Registration contract, in-house printing and the preferred option of two separate lots being run concurrently over 3 years.

RESOLVED –

That the start of an OJEU open tender process for the procurement of printing services for elections (Lot 1) and electoral registration (Lot 2) be approved.

THE CHAIR CLOSED THE MEETING AT 5.55 PM