

# Action Plan

## Audit Follow-up Review of: Procurement of Construction Services

Date: August 2014

Action Plan Owner: Head of Finance & Assets

| Corporate Risk/Issue Severity Key |  |
|-----------------------------------|--|
|                                   | <b>Critical</b> – Significant CET and Cabinet intervention   |
|                                   | <b>Major</b> – intervention by SLT and/or CET with Cabinet involvement                                 |
|                                   | <b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed |

| Risk/Issue No. | Risk/Issue  | Agreed Action Responsibility & Timescale   | Current Status   | Further Action Needed   |
|----------------|---|--|--|---|
| 1.             | The Council's Procurement Strategy ran until March 2012. Setting the direction for Council procurement is vital to ensure that it is aligned with national, corporate and service requirements. A risk analysis of current spend should be assessed against the Council's requirements to show how procurement can contribute more effectively. | <p>Develop a robust Procurement Strategy that will encompass the requirements in the latest Denbighshire Economic and Community Ambition Strategy, the Welsh Procurement Policy Statement and the Welsh Government's Construction Procurement Strategy.<br/><b>Strategic Procurement Manager (January 2014)</b></p> <p><b>Response at February 2014:</b><br/>The revision of the Procurement Strategy is currently in progress with a target to have a draft document completed by 31 March 2014</p> | <p><b>In progress – overdue</b></p> <p>The creation of the draft Procurement Strategy has been delayed by the merger of the DCC and FCC Procurement Teams and is now scheduled to be available by the end of October 2014.</p> | A robust Procurement Strategy needs to be implemented and communicated to members of staff. |

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| 2.                    | <p>Given the high value of construction-specific procurement across various Council services, not having a construction procurement strategy could lead to the key issues continuing without effective action and the area showing little or no improvement. In addition, the Council could suffer scrutiny if it does not adopt the National Construction Procurement Strategy.</p> | <p>The construction procurement strategy will be incorporated within the corporate procurement strategy. The SPU and Property Services will develop the construction procurement strategy element jointly with input from the other Council services that undertake construction procurement activity. This will need to align with the National Construction Procurement Strategy.<br/> <b>Strategic Procurement Manager &amp; Property Manager (January 2014)</b></p> <p><b>Response at February 2014:</b><br/> This is on-going through the Construction Procurement Working Group. The basic premise has been established comprising: 21<sup>st</sup> C Schools Framework for OJEU works; Advertising on Sell 2 Wales for project over £250K and frameworks for work below this threshold.</p> | <p><b>In progress – overdue</b></p> <p>Work is ongoing with regards to the Construction Working Group. Work has now started on establishing framework agreements for Reactive Maintenance services and also Asbestos Surveying and Removal. The expectation is to have these agreements available for use by December 2014. The remainder of the Approved List categories are being reviewed on a case by case basis with a view to having alternative solutions in place by March 2015.</p> <p>The construction procurement strategy is still under development and should be available for inclusion in the main procurement strategy by October 2014. It will be aligned to the principles of the National Construction strategy and will include the need for early contractor involvement and the move away from price only tendering to a price and quality basis.</p> | <p>The construction procurement strategy needs to be implemented as part of the corporate Procurement Strategy.</p> |

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| 3.                    | <p>The SPU has previously identified several initiatives to improve construction procurement but little progress has been made, as resources are being pulled in different directions e.g. collaboration.</p> <p>Unless a clear procurement plan is developed and prioritised, with sufficient steer from a senior level, initiatives such as introducing an e-sourcing system corporately and category leads, are likely to slip further and result in longer delays.</p> | <p>E-sourcing will be rolled out by March 2014 but it does not include interfaces for third party job costing systems e.g. asset management. A project plan and Verto is being used for this.</p> <p>To ensure that this programme is rolled out effectively there is a need to establish a project board with a senior member of staff as chair to ensure the project plans are implemented efficiently.</p> <p><b>Acting Strategic Procurement Manager (March 2014)</b></p> <p><b>Response at February 2014:</b><br/>Delays in the creation of project templates and documentation has caused a slip in the expected roll-out date. This should now commence during April 2014. Some departments are using the system on small projects with assistance from the SPU.</p> | <p><b>In progress – overdue</b></p> <p>Due to issues with the project manager, delays have been encountered with the project. A new project management team has been established. Roll out is expected in Q1 of 2015/16.</p> <p>Project templates have now been created for 60% of the type of requirements needed. All main types are available for use. The remainder should be completed late in Q3 of 2014/15.</p> <p>Roll out of the system is expected to be completed by March/April 2015.</p> | <p>Improve construction procurement through previously identified initiatives, including an e-sourcing system.</p> |

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| 4.                    | <p>Management information and performance measurement of construction-related spend has its limitations. This hinders the Council in identifying opportunities for price savings and cost reduction.</p> <p>The introduction of a corporate e-sourcing system over the next two years promises additional tools to help management and provide continuous improvement.</p>                 | <p>The SPU will develop reports to introduce better management information to services and senior managers. E-sourcing will introduce performance information by way of customer feedback logged against each supplier.</p> <p>Performance feedback will be input to the e-sourcing system and will be more transparent. The system can set reminders to prompt customers/clients to input their feedback.</p> <p>As part of the 21<sup>st</sup> Century Schools procurement project, Key Performance Indicators (KPIs) are being established to promote continuous improvement.<br/><b>Acting Strategic Procurement Manager (July 2014)</b></p> <p><b>Response at February 2014:</b><br/>This is currently on target. The introduction of M-Power in Finance will greatly assist this requirement.</p> | <p><b>In progress</b></p> <p>KPI's have been developed for 21st Century Schools project by the Project Manager. These are currently under consideration with the project Operations Board and contractors to ensure suitability. Once agreed, the Proactis system will be updated to make them available electronically for contract monitoring.</p> <p>The M-Power system for expenditure analysis will be made available by Finance in October 2014. This will allow a more informed scrutiny of who the Council places business with.</p> | <p>Once the KPIs are approved, they need to be made available to improve contract monitoring. Expenditure analysis will also ensure that more informed decisions are made about our contractors.</p>            |
| 5.                    | <p>Awareness of and adherence to CPRs are weak in some services. For example:</p> <ul style="list-style-type: none"> <li>• when requested, Bridges and Structures were unable to produce a signed contract for works valued over £50k</li> <li>• aggregate spend on suppliers on the approved lists often exceeds £100k, but little comparison is done to make sure the Council</li> </ul> | <p>Revised CPRs have been developed and are currently out for consultation. CPR awareness workshops will be held with various services to promote awareness and understanding of CPRs. Schools and Public Realm are a priority for this training due to recent cases of non-compliance. <b>Acting Senior Procurement Manager (January 2014)</b></p> <p><b>Response at February 2014:</b><br/>All comments have been correlated and issued to the individuals for further review. The comments are now under review by Legal Services. Once these have been received Procurement and Legal will meet to identify the issues raised. The intention is to have a final Draft copy available for 31 March 2014.</p>   | <p><b>In progress – overdue</b></p> <p>The draft CPRs are now with Legal Services for final scrutiny. Due to current workload in the department, it is anticipated that the review will be completed by the end of September 2014 and taken through the committee processes by the end of December 2014.</p>   | <p>Implementation of the approved revised CPRs.</p> <p>Awareness workshops will then need to be held to ensure that employees understand their responsibilities in order to comply with the new procedures.</p> |

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|                       | <p>gets value for money</p> <p>There is also limited awareness that the SPU could be contacted as a source of knowledge on procurement activity.</p> <p>The introduction of the e-sourcing system over the next two years along with associated training is an opportunity to reach out to service representatives and promote compliance.</p> | <p>A Construction Procurement Working Group has been convened comprising the main construction procuring services and the SPU. This group will consider and determine what is achievable and drive forward changes in respect of framework agreements and how to deal with reactive small works procurement. This will be tied in with the new framework manager role within Property. <b>Acting Strategic Procurement Manager and Property Manager Informally by August 2013 with more formal arrangements from March 2014. First group meeting held September 2013.</b></p> <p><b>Response at February 2014:</b><br/>The working group has been established and includes representation from Property, Procurement, Housing and Housing Renewals.<br/>An agreed way forward in terms of reactive maintenance and asbestos removal procurement has been agreed and frameworks for these elements are being developed.<br/>There are some issues with the procurement of Housing renewals works which are individually tendered. The procurement of works between £5K - £250K is now being considered. The Group meets monthly.</p> | <p><b>In progress – original action complete but has led to an additional action</b></p> <p>See Item 2 for comments.</p> <p>Work will commence on the next phase as soon as possible following completion of the two services being tendered.</p> <p>A separate meeting is to be convened with Housing and Area Renewals, as it has now determined that its list of contractors needs reviewing and replacing with a framework agreement with a reduced number of contractors. Work on this project is expected to commence in October 2014 with new arrangements in place by March 2015.</p> | <p>Ensure that the Construction Procurement Working Group meets its outcomes, and that improvements with the procurement of Housing and Area Renewals are made.</p> |

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|                       |   | <p>HR to be requested to provide a procurement training element into the standard induction training provided to all new starters within Denbighshire. <b>Acting Strategic Procurement Manager (October 2013)</b></p> <p><b>Response at February 2014:</b><br/>HR have been requested to include a Procurement Awareness session into their induction training. This will be a brief explanation on CPR's and Procurement procedures.</p>  | <p><b>In progress – overdue</b></p> <p>The SPU has been informed that Strategic HR no longer undertakes a corporate induction programme. This is now the responsibility of each department. The SPU will now have to confer with all Heads of Service to establish how the Council can inform new members of staff of the requirements of procurement.</p> <p>Once the new CPRs have been finalised it is intended to hold CPR training workshops for all members of staff with any procurement responsibility. This will be undertaken on a service by service basis.</p> | <p>Ensure that members of staff are clear of their responsibilities in respect of procurement.</p> |
| 6.                    | <p>The Council does not maintain a corporate contracts register, which is required for transparency and is an important management tool. Signed contracts are vital documents that should be easily accessible in case the Council needs to resolve disputes with any of its contractors.</p> <p><i>Note: Services may be spot purchasing goods or services but contracts specific to other departments may offer advantageous pricing if accessible.</i></p> | <p>Each service needs to start collating a list of service specific contracts in order to populate a central contract register. This requirement is already set within the revised CPRs for Heads of Service to action. In order to capture this information, the SPU has developed a spread sheet to issue to all 'tier 1' managers to populate with details of their current contracts. The spread sheet will be issued to departments in October 2013. <b>Acting Strategic Procurement Manager (January 2014)</b></p> <p><b>Response from February 2014:</b><br/>Information has been received from the majority of departments and is currently undergoing review. Completion of the review by 31 March 2014</p> | <p><b>In progress – overdue</b></p> <p>Information has been received from departments but, due to other priorities and the merger of the DCC and FCC procurement teams, this has been delayed. It is anticipated that this will be reviewed in September 2014.</p>   | <p>Have an up-to-date corporate contracts register in place.</p>                                   |

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|                       |   | Create contract register for Highways & Environment. <b>Performance Officer (December 2013)</b>   | <b>In progress – overdue</b><br>Highways Services is currently compiling the information required, with completion scheduled for the end of August 2014.   | Have an up-to-date contracts register for Highways & Environment in place.                     |
|                       |   | E-sourcing will have a separate contract management module and any tenders going through this will automatically be included as and when services begin using it following roll-out. <b>Acting Strategic Procurement Manager (July 2014)</b><br><br><b>Response from February 2014:</b><br>Currently on target  | <b>COMPLETE</b><br>Any tenders undertaken by the SPU are now automatically added into the contract management module.  | Roll out of the e-sourcing system  |
| 7.                    | <p>The Council has several different lists used for construction-related works. All have control deficiencies to different extents that could put the Council at risk of health and safety sanction, financial losses and reputation damage.</p> <p>There is an opportunity to combine approved lists, which should reduce errors, improve consistency and remove the duplication of their upkeep to reveal efficiencies.</p> | <p>The revised CPRs (out for consultation at the time of this report) reduce the limit for using approved lists for construction works to £250k (these are for individual items). It also specifies that the 'Head of Procurement' must approve the use of approved lists. <b>Acting Strategic Procurement Manager (January 2014)</b></p> <p>Highways will review the Highways &amp; Environment approved list to ensure that all suppliers and contractors comply with the Council's criteria for inclusion. <b>Performance Officer (November 2013)</b></p> <p>In the medium to long term, framework agreements for highways minor works will negate the need for approved lists in this area (See Risk Issue 9).</p> <p>Property will work with the SPU and the Construction Procurement working Group to:</p> <ul style="list-style-type: none"> <li>introduce a managed and transparent rotation system for tender invitation (look at Housing Renewals system);</li> <li>instigate quality monitoring and</li> </ul> | <p><b>In Progress – overdue</b></p> <p>See Item 2 for comments.</p> <p>The SPU and Highways are currently working on the establishment of a framework agreement for Minor Works. The original intention was to advertise this by the end of July 2014, with the intention of having a new framework agreement in place by Q1 of 2015. This is currently on schedule and will replace the current approved list system.</p> <p>Once the new property services frameworks are completed the new rotational selection procedure will be in place.</p> | Reduce the number of approved lists in place, and adopt a framework agreement for Minor Works. |

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|                       |            | <p>recording system (not just health and safety); and</p> <ul style="list-style-type: none"> <li>investigate integration of an approved list system with Proactis.</li> </ul> <p>The development of framework agreements for smaller building projects, particularly reactive maintenance works will be undertaken by the Construction Procurement Working Group (See Risk Issue 9). <b>Acting Strategic Procurement Manager &amp; Property Manager (January 2014)</b></p> <p><b>Response from February 2014:</b></p> <p>Following the establishment of the Construction Procurement Working Group the use of Approved Lists will be discontinued for the majority of services and replaced by Framework Agreements. This removes the need for the Head of Procurement to approve their use.</p> |                |                          |



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| 8.                    | <p>On occasion, services and schools contract suppliers that are not on an approved list and without first consulting Property Services for advice. A contributing factor may be that they have concerns about the transparency of the costs they are being committed to without their consent or knowledge.</p> <p>Without clear communication channels and more cohesive working relationships, the Council and schools could fail in their obligation to maintain suitable health and safety arrangements, and poorly specified jobs could result in higher costs and inferior quality work.</p> | <p>CPRs will be formulated to cover schools using the same format as the revised Council CPRs. This will give the necessary guidelines on acceptable procurement practices, with scope for sanction where there are any breaches.</p> <p>To support this, the SPU, Property and Internal Audit will work together to provide awareness training for schools (Finance Managers) to promote compliance. <b>Acting Strategic Procurement Manager, Education Planning &amp; Resource Manager, Property Manager and Head of Internal Audit (January 2014, Procurement Training to be provided October 2013)</b></p> <p><b>Response from February 2014:</b><br/>The School Cluster Groups will be used to disseminate training once CPR's have been developed. Legal Services and School Improvement are currently working on a version for schools.</p> <p>An initial awareness session with schools Finance and Business Managers has been undertaken.</p> | <p><b>In progress – overdue</b></p> <p>The CPRs for schools have been drafted and are now out with schools for consultation. This is being co-ordinated by Legal Services in conjunction with the Education Planning &amp; Resource Manager.</p> <p>In addition to this, an “Introduction to Procurement” training course is being arranged for all the schools Business and Finance managers for August / September 2014 to make them aware of the requirements of procurement legislation. This course has already been provided for all corporate finance staff.</p> | <p>Implement the CPRs for schools along with increasing staff awareness of their responsibilities to comply with the procurement legislation.</p> |

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|                       |            | <p>Enhance the Purchasing Systems (Proactis P2P) to create additional workflow approval for construction-related purchase orders i.e. before placing an order with a supplier, a nominated construction lead will have to approve it. A prototype has been tested in Flintshire County Council. A pilot project using the procurement of furniture will be established in this Council in October 2013. This will then be extended to other commodity areas including construction once the principle has been proved. <b>Acting Strategic Procurement Manager to lead, with assistance from Construction Working Group and Senior Management Accountant (April 2014)</b></p> <p><b>Response from February 2014:</b></p> <p>Further discussion is required with Finance on this in order to create the additional workflow required.</p> | <p><b>In progress – overdue</b></p> <p>Discussions with the FCC P2P team are being undertaken to establish the procedure required to set this facility up in the P2P portal. The new Central Invoicing Process has temporarily delayed this from being reviewed.</p> <p>Preliminary discussions are being held with the P2P finance team to establish a procedure where schools purchase orders for construction activities are routed to Property Services for approval.</p> | <p>Update the Proactis P2P system to include construction-related purchase approval.</p> |

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| 9.                    | <p>There is an opportunity for services to collaborate and pool resources to reduce costs on minor works. A framework agreement, if arranged properly, should save time and money in the long term. The challenge is to maintain a transparent and fair process that gives local suppliers (Small Medium Enterprises) an equal opportunity to win the tender. This promotes diversity and competition and ties in with the National and Council's Corporate priority of economic regeneration.</p> | <p>The SPU will formulate a working group to develop both projects (Highways and Property minor works framework agreements). The building minor works framework agreement will be developed separately to highways but using the same method/approach (see specific action below). The working group will carry out analysis of all construction spend. Based on the analysis, procurement action plans will be developed for the different areas of spend. <b>Acting Strategic Procurement Manager &amp; Construction Working Group (September 2013)</b></p> <p><b>Response from February 2014:</b></p> <p>Working groups for both Highways and Property have now been established. Spend analysis is ongoing at this point in time along with identification of areas of spend to establish frameworks. The intention is to commence work on establishing frameworks for asbestos removal during April 2014 with other areas by July 2014.</p> | <p><b>In progress – overdue</b></p> <p>See Items 2 and 7 for comments.</p> <p>Under the new procurement structure, specific officers have now been assigned to review the expenditure in category areas. Due to the merger of the DCC and FCC procurement teams it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p> <p>Work commenced on the establishment of frameworks for asbestos surveying and removal in July 2014 and will commence on reactive maintenance works in August 2014. Work also commenced on the Highways Minor works framework in July 2014.</p> | <p>Analysis of construction spend so that the necessary frameworks can be put in place.</p> |
|                       |  | <p>Property Services will work with the SPU business partner to develop frameworks for lower value work. Efficiencies should be possible through reducing management costs, but the cost needs to be balanced with quality and legislative compliance. <b>Acting Strategic Procurement Manager &amp; Procurement Manager (Proposals will be developed by March 2014)</b></p> <p><b>Response from February 2014:</b></p> <p>This is currently in progress with the intention of having relevant frameworks in place by July 2014</p>  | <p><b>In progress – overdue</b></p> <p>See Item 2</p> <p>Work has commenced on the frameworks for asbestos surveying and removal and reactive maintenance and these will be advertised in August with the intention of having frameworks in place by October/November 2014</p>  | <p>Develop frameworks for lower value work.</p>   |

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|                       |   | <p>The Highways &amp; Environment Service Plan for 2013-14 contains an improvement activity under Outcome 1 for “Developing a minor works framework” (HES101a). Once developed, this can be rolled out to other areas of the service. <b>Works Unit Manager / Performance Officer (with assistance from SPU) Completion date for HES101a is 31 March 2014, but can possibly be brought forward should the need arise</b></p> <p><b>Response from February 2014:</b></p> <p>This is currently in progress with the intention of having relevant frameworks in place by July 2014</p>  | <p><b>In progress – overdue</b></p> <p>The SPU and Highways are currently working on the establishment of a framework agreement for Minor Works. The original intention was to advertise this by the end of July 14, with the intention of having a new framework agreement in place by Q1 of 2015/16.</p>  | <p>Implementation of a minor works framework.</p>   |
| 10.                   | <p>Tendering and contract-related templates (e.g. H05s and pre-qualification questionnaires) are inconsistent and direct the selection of suppliers to be based on lowest value instead of best value.</p> <p>In line with Welsh Government requirements, services need to standardise PQQs (pre-qualification questionnaires), tender and contract templates to make it easier for suppliers to tender for work. If possible, this</p> | <p>A construction procurement working group will be formed to review all current PQQ and tender documentation (including supplementary terms and conditions) and agree on a common set of construction-related documents. The Strategic Procurement Manager is developing a set of generic templates in line with the values set within the revised CPRs. These will be circulated as part of the CPR awareness training (see action again Risk Issue 8). <b>Acting Strategic Procurement Manager (January 2014)</b></p> <p><b>Response from February 2014:</b></p> <p>This action is on target for completion by end March 2014</p> | <p><b>In progress – overdue</b></p> <p>Under the new procurement structure, specific officers have now been assigned to review the current PQQ and tender documents, as these will be used in the Proactis e-sourcing system. Due to the merger of the DCC and FCC procurement teams it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p> <p>There is a need to get agreement from all service areas to move to a standard form of contract for similar types of construction works to avoid confusion with contractors e.g. JCT, NEC, PPC2000 etc.</p> | <p>Standardisation of pre-contract qualification questionnaires, tender and contract templates.</p> |

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|                       | should be in coordination with other local authorities to be most effective.   | <p>Standardise the relevant Highways &amp; Environment documents and incorporate them into the service's ISO 9001 document control system. <b>Performance Officer (December 2013)</b></p> <p><b>Response from February 2014:</b><br/>This is currently in progress and due for completion during April 2014</p>  | <p><b>Complete</b></p> <p>Owing to the volume of documents involved, documents are now being integrated into a single quality management system on a document by document basis, i.e. whenever an existing Highways &amp; Infrastructure document is used, the Quality &amp; Performance Officer is informed and it is then given a control reference and revision number in accordance with the service's ISO 9001 accreditation.</p>           |   |
|                       |  | <p>In partnership with the SPU business partner, Property Services will review forms/letters etc. used across the Council and develop a standard set of documents. These could be used as a model for use by other local authorities (consensus on the forms has proved difficult in the past). <b>Acting Strategic Procurement Manager &amp; Property Manager (January 2014)</b></p>  | <p><b>In progress – overdue</b></p> <p>Under the new procurement structure, specific officers have now been assigned to review the current PQQ and tender documents, as these will be used in the Proactis e-sourcing system. Due to the merger of the DCC and FCC procurement teams, it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p>   | <p>Property Services to review forms/letters used and to develop a standard set of documents.</p>           |
| 11.                   | <p>Many procurement projects fail if they are not properly planned and adequately resourced. Such problems could be minimised if better links were established between procurement and project management. A large, complex procurement exercise should not be able to progress without a sound business case and agreed procurement plan.</p> | <p>The SPU is developing a checklist for procurements valued over £100k and this will shortly be available as a spread sheet. These will be linked to CPRs, the project management system (Verto) and the procurement section of the business case template. <b>Acting Strategic Procurement Manager (October 2013)</b></p> <p><b>Response from February 2014:</b><br/>The checklist has been completed and is now under review following comments received during the CPR consultation exercise. This should be finalised in conjunction with the CPR's</p> | <p><b>In progress – overdue (although reliant on the approval of the CPRs)</b></p> <p>The checklist is complete and is waiting the completion of the review of the CPRs by Legal Services. The SPU is unable to progress this any further at this point in time. The indication from Legal Services is that the review will be completed by the end of September 2014 and taken through the committee processes by the end of December 2014.</p> | <p>Approval of the revised CPRs before implementation of a checklist of procurements valued over £100k.</p> |

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|                       |            | <p>New CPRs state that a procurement checklist must be completed for contracts valued over £100k. The SPU must give approval and, if the construction relates to Property, HR or ICT, additional approval is required from each of the affected services. If valued less than £100k, the questionnaire should still be completed; however, the SPU approval is not required (note: approval from HR, ICT and/or Property still applies). <b>Acting Strategic Procurement Manager and Corporate Programme Office Manager (October 2013)</b></p> <p><b>Response from February 2014:</b></p> <p>The checklist has been completed and is now under review following comments received during the CPR consultation exercise. This should be finalised in conjunction with the CPR's</p> | <p>As above.</p> <p>Discussions have commenced with the Corporate Programme Office Manager to amend the Verto system to include procurement related questions into the system.</p> |                          |

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| 12.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>The current practices adopted by the Council for allocating work in respect of schools' building maintenance need to be more transparent .</b><br/> The Council should review and strengthen their procedures in respect of their use of approved contractor lists. The Council should:</p> <ul style="list-style-type: none"> <li>• clearly communicate to contractors how to apply and access the approved list;</li> <li>• establish agreed procedures or criteria as to how contractors will be selected from the approved list in terms of work allocations; and</li> <li>• establish agreed processes to evidence the selection of contractors from the approved list based on price, quality or past performance.</li> </ul> | <p>Work is ongoing to establish framework arrangements for reactive maintenance works to all public buildings. This is in conjunction with the work being undertaken by the Construction Procurement Working Group which is considering procurement of construction projects corporately (not just within Property). <b>July 2014 for agreed ITT and consultation.</b></p> <p>While an approved list is likely to remain for specialist contractors and, in the medium term, contractors wishing to be considered for higher value non-reactive works, this will be advertised on the Council's website. The Proactis e-sourcing system being rolled out through the Strategic Procurement Unit will facilitate the selection of contractors and recording and monitoring of cost, quality and performance.</p> <p><b>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</b></p> | <p><b>In progress</b></p> <p>Work has now started on establishing framework agreements for Reactive Maintenance services and also Asbestos Surveying and Removal. The remainder of the Approved List categories are being reviewed on a case by case basis with a view to having alternative solutions in place by March 2015.</p> <p>Due to issues with the previous project manager, delays have been encountered with the project. A new project management board has been established. Roll out is expected in Q1 of 2015/16.</p> | <p>Put in place framework arrangements for reactive maintenance works, and roll out the Proactis e-sourcing system</p> |

| Risk/<br>Issue<br>No. | Risk/Issue  | Agreed Action<br>Responsibility & Timescale  | Current Status  | Further Action<br>Needed                           |
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| 13.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>Whilst the Council has provided a rationale for allocating work to a small number of contractors, current processes need to improve to enable the Council to check and monitor work allocations</b></p> <ul style="list-style-type: none"> <li>• Management information needs to be available to enable Council officers to check and monitor the levels of work allocated to contractors.</li> </ul> | <p>No automated system currently in place. The Proactis e-sourcing system being rolled out through the Strategic Procurement Unit will provide an electronic information management tool for this purpose.<br/> <b>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</b></p>  | <p><b>In progress – overdue</b></p> <p>Due to issues with the previous project manager, delays have been encountered with the project. A new project management board has been established. Roll out is expected in Q1 of 2015/16.</p> <p>The system is being configured to ensure a selection process is created within the portal to select contractors based on pre-set criteria rather than the current procedure utilised.</p> | <p>Roll out of the Proactis e-sourcing system.</p> |
| 14.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>The Council is not fully adhering to its current contract procedure rules in respect of school building maintenance works.</b></p> <ul style="list-style-type: none"> <li>• Officers should be reminded of the requirement to obtain quotes for all works for less than £10,000 unless it can be demonstrated that a quote would not be practicable, eg for emergency works.</li> </ul>               | <p>Evidence shows that over the last two years (2012/13 to February 2014) from a total of 2,148 jobs completed, 44.5% were for a value of less than £100 and 37.5% were for a value below £500. Only 7.5% of jobs were for a value over £1,000. Given the volume, diverse nature of the jobs and client expectations to have service delivery restored ASAP, it is not considered practicable in terms of internal resource (when coupled with the workload generated through planned, capital and client request works), customer needs and the availability of contractors willing to undertake reactive works, to routinely obtain quotes for reactive works. <b>April 2014</b></p> | <p><b>Complete</b></p> <p>Justification for not obtaining quotes for works between £1,000 and £10,000 is now required on works requisition forms – to be reviewed on a case by case basis by approving officers.</p>  |  |



| Risk/<br>Issue<br>No. | Risk/Issue  | Agreed Action<br>Responsibility & Timescale   | Current Status   | Further Action<br>Needed   |
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| 15.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>Arrangements to check the pricing of quotations submitted are inadequate.</b><br/>           The Council need to introduce appropriate and sufficient procedures with regards to price checking quotations. In this respect:</p> <ul style="list-style-type: none"> <li>• criteria needs to be established to select and check a sample of jobs</li> <li>• quotes received against approved pricing lists;</li> <li>• price checking needs to be clearly documented and evidenced; and</li> <li>• all jobs less than £10,000 should be supported by at least one quotation (unless there is a justifiable reason not to obtain a quote such as emergency works).</li> </ul> | <p>A process will be incorporated into the F&amp;M procedures initially based on random selection of 25% of single quotes received to be reviewed by the relevant manager with the appropriate surveyor.<br/>           Due to the diverse and sometimes specialist nature of reactive works, standard pricing guides are not readily available, particularly where local markets can dictate rates etc. Subsequently, the professional judgement of officers with recorded justification will need to be recognised as acceptable criteria.<br/>           See previous note re: CPR's <b>April 2014</b></p> | <p><b>In progress – action overdue</b></p> <p>Restructuring within the department has resulted in an amalgamation of the F&amp;M and Design &amp; Construction teams under new line management. A full review of procedures is ongoing, which will cover monitoring of cost and quality. The anticipated introduction of frameworks will reduce the volume of quotations required and this action needs to be reviewed in light of this.</p> | <p>The full review of the relevant procedures, and the introduction of appropriate frameworks.</p> |

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| 16.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>The quality control procedures need to be strengthened.</b></p> <p>In this respect:</p> <ul style="list-style-type: none"> <li>• criteria setting out minimal levels or target levels for quality checks are required;</li> <li>• surveyors need to ensure that they consistently and more frequently</li> <li>• evidence quality checks; and</li> <li>• schools need to be actively reminded to complete feedback forms on a regular basis.</li> </ul> | <p>The existing F&amp;M procedures require quality signoff by surveyors. This is now being regularly monitored by management.<br/> <b>Ongoing.</b></p> <p>The introduction of the Proactis e-sourcing system currently being rolled out through the Strategic Procurement Unit will provide an improved method for recording and monitoring information. <b>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</b></p> <p>As well as issuing feedback forms for schools to complete, the Building Maintenance Help Desk now also telephones schools in an effort to gain the feedback required on the questionnaire.</p> <p>Property do not have the remit to compel response nor the ability to sanction non-compliance. <b>Auto-generated emails to clients will contain satisfaction questionnaires based on the current system.</b></p> | <p><b>In progress</b></p> <p>The SPU has been provided with the current “paper” questionnaires used by Property Services for this requirement. Development of electronic questionnaires will be completed during September 2014. Access to this element of the Proactis portal can be made available to users following the set up.</p> | <p>Roll out of the Proactis e-sourcing system, and development of electronic questionnaires via the Proactis portal.</p> |

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| 17.                   | <p><b>Wales Audit Office Recommendation</b><br/> <b>Arrangements to declare, manage and monitor relationships between Council Officers and contractors needs to improve.</b></p> <ul style="list-style-type: none"> <li>• Arrangements need to be put in place to ensure that declaration of interests are proactively managed and procurement officers are regularly reminded of the importance and the requirement to declare any interests. The Council should review its guidance and training procedures, particularly in respect of staff involved in procurement procedures.</li> </ul> | A local arrangement for Property is now in place. | <p><b>Complete</b></p> <p>The standard tender documentation in the Proactis portal has been amended for suppliers to declare any relationships with Council officers through questions in the system.</p> |                          |