

# Action Plan

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

Date: January 2015

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.</p> <p><b>Strategic Procurement Manager (January 2014)</b></p> <p><b>Response at February 2014:</b> 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>Response at July 2014:</b> 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>	<p>The revised strategy in draft form is now complete and has been issued to departments for consultation.</p> <p>It is intended that the revised procurement strategy will be submitted to Corporate Governance in March 2015 for consideration.</p> <p>The current procurement strategy is still being used by departments until the new version is finalised.</p>	To finalise the strategy once feedback from departments has been received.
2.	Given the high value of construction-specific procurement across various Council services, not having a construction procurement	The construction procurement strategy will be incorporated within the corporate procurement strategy. The SPU and Property Services will develop the construction procurement strategy	As item 1	

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	<p>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>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.  <b>Strategic Procurement Manager &amp; Property Manager (January 2014)</b></p> <p><b>Response at February 2014:</b>  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>Response at July 2014:</b>  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>		
3.	The SPU has previously identified several initiatives to improve	E-sourcing will be rolled out by March 2014 but it does not include interfaces for	This is on target for roll out by March 2015 as indicated.	To provide user training to departments on the new

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	<p>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>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> 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>Response at July 2014:</b> 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>Highways have expressed interest in becoming a pilot to undergo training on the system as a "First Adopter". This is currently being arranged in conjunction with the Highways team. This will be followed by Social care who have also asked for use of the system earlier.</p> <p><b>Response at January 2015</b></p> <p>The training documentation and plan is currently being finalised with departmental training scheduled to commence in February 2015.</p>	<p>system.</p>
4.	<p>Management information and performance measurement of construction-related spend has its limitations. This hinders the Council in identifying opportunities for price savings</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>A performance management questionnaire has now been built for Highways following the award of the Minor Works Framework and is available for use when staff have been</p>	

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	<p>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>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. <b>Acting Strategic Procurement Manager (July 2014)</b></p> <p><b>Response at February 2014:</b> This is currently on target. The introduction of M-Power in Finance will greatly assist this requirement.</p> <p><b>Response at July 2014:</b> KPI's have been developed for 21<sup>st</sup> 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>trained.</p> <p>A similar questionnaire will be built for Property Services</p> <p>Both of these questionnaires will enhance the performance monitoring of contractors undertaking works for DCC. Similar questionnaires may be built for other departments following the roll out of the system in 2015.</p> <p>The M Power system for expenditure analysis is still undergoing some minor final developments and will be available for use before January 2015.</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</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</b></p>	<p>The revised CPR's have been approved by Corporate Governance and are now being taken to Council on 9 December for final approval. Following this a training programme for all officers involved in procurement</p>	<p>Training for key staff is to be arranged in the use of the new CPR's to ensure staff comply with the requirements. It is intended that the CPR's will also be covered within the corporate induction for new</p>

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	<p>works valued over £50k</p> <ul style="list-style-type: none"> <li>aggregate spend on suppliers on the approved lists often exceeds £100k, but little comparison is done to make sure the Council gets value for money</li> </ul> <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><b>(January 2014)</b></p> <p><b>Response at February 2014:</b> 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>Response at July 2014:</b> 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>is currently being arranged for January with an invitation being given to elected members to participate in a separate training session as agreed at the November Corporate Governance Committee meeting.</p> <p><b>Response at January 2015</b></p> <p>The new Contract Procedure Rules have now been agreed by formal council and have been located on the Intranet for staff to view. A notification has also been put on the Intranet to alert staff of the new documents.</p>	<p>staff.</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> The working group has been established and includes representation from Property, Procurement, Housing and Housing Renewals.</p>	<p>A "Meet the Buyer event for reactive maintenance works was held on 28 November following an advert on Sell2Wales to promote the opportunity. We had over 25 companies attend. The Pre-Qualification documents have since been issued to businesses to be returned by mid January 2015 with the Invitation to Tender documents being issued by the end of January. The intention is to have agreements available by April as indicated. Work will then commence on the further review of the remaining Approved List categories to determine the best solution.</p>	

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		<p>An agreed way forward in terms of reactive maintenance and asbestos removal procurement has been agreed and frameworks for these elements are being developed.</p> <p>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>Response at July 2014</b> 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>This is still under discussion with Housing Area Renewals and is likely to slip to April 2015.</p>	
		<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> 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>Response at July 2014:</b></p>	<p>HR no longer provide corporate induction training. Discussions are currently ongoing with HR as to the best way to ensure that all new staff are aware of the Contract Procedure Rules. A meeting is to be held with Customers and Education Support who are now responsible for the Induction Pack to ensure the Contract Procedure Rules are included.</p>	<p>Training for key staff is to be arranged in the use of the new CPR's to ensure staff comply with the requirements. It is intended that the CPR's will also be covered within the corporate induction for new staff.</p>

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		<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>		
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> 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>Response from July 2014:</b> 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</p>	<p>Information from departments has been received and is still under review. A number of workshops were held with departments in October to identify the range of formats required for a contract register and this has identified that there is not one solution that suits all departments due to the difference in contracts used by departments. The SPU is currently working with all Directorates to complete this task. The target is to have this task completed in line with the roll out of the e-sourcing system in March 2015. We are currently on target to achieve this.</p>	

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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>reviewed in September 2014.</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 recording system (not just health and safety); and</li> <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>Phase 1 of the review of the Property Services Approved List is complete as identified in Risk No 5. Reviews of the remaining categories will take place on a scheduled basis in Q1/Q2 2015. The use of Approved Lists will be phased out by April 2016.</p>	



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		<p><b>Response from February 2014:</b> 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> <p><b>Response from July 2014:</b> 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>	<p>The Highways Framework Agreement has now been completed and awarded to 12 companies all of which are based in North Wales. This agreement is available for use from December 2014 and will replace the Approved List currently being used in that department.</p>	
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</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</b></p>	<p>Contract Procedure Rules covering schools have now been completed and issued to all schools for use.</p>	<p>No further action required.</p>

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	<p>their obligation to maintain suitable health and safety arrangements, and poorly specified jobs could result in higher costs and inferior quality work.</p>	<p><b>(January 2014, Procurement Training to be provided October 2013)</b></p> <p><b>Response from February 2014:</b> 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>Response from July 2014:</b> 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>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</p>	<p>Discussions have now taken place between DCC and FCC staff resulting in a trial process of routing purchase orders to a member of staff who will have responsibility for authorising the order e.g. a furniture order could be routed to Property Services to approve / reject based on the knowledge of available furniture within the Council. The Proactis P2P</p>	

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		<p>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> Further discussion is required with Finance on this in order to create the additional workflow required.</p> <p><b>Response from July 2014:</b> 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>system will be undergoing an upgrade in Q1/15 therefore the trial will not take place until this upgrade is complete.</p>	
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> Working groups for both Highways and</p>	<p>Reactive maintenance and asbestos frameworks have now been advertised and are on target for completion by April 2015. See Risk No 5.</p> <p>The Highways Minor Works framework agreement is now complete and available for use as identified in Risk No 7</p>	

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		<p>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>Response from July 2014:</b> 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>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> This is currently in progress with the intention of having relevant frameworks in</p>		

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		<p>place by July 2014</p> <p><b>Response from July 2014:</b> 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>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> This is currently in progress with the intention of having relevant frameworks in place by July 2014</p> <p><b>Response from July 2014:</b> 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>The Highways Minor Works framework agreement is now complete and available for use as identified in Risk No 7</p>	<p>Action complete</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</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-</p>	<p>The documentation review is complete. Procurement are now updating all templates in line with the review to ensure that when e-sourcing is rolled out all</p>	

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	<p>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 should be in coordination with other local authorities to be most effective.</p>	<p>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> This action is on target for completion by end March 2014</p> <p><b>Response from July 2014:</b> 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>questions and documentation are standard. This will be completed by mid January 2015.</p> <p>Contract template workshops have been held and there is a need to have templates built reflecting all current forms of contract. This is currently in progress for completion when e-sourcing goes live by March 2015.</p>	
		<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> This is currently in progress and due for completion during April 2014</p> <p><b>Response from July 2014:</b></p>	<p><b>Complete in July 2014</b></p>	<p>n/a</p>

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		<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>Response from July 2014:</b> 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>		
11.	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	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><b>Response from January 2015:</b></p> <p>The new CPR's have now been approved by Council and added to the Intranet for departments to use. The Checklist has also been added to the Intranet</p>	Training for key staff is to be arranged in the use of the new CPR's to ensure staff comply with the requirements. It is intended that the CPR's will also be covered within the corporate induction for new staff.

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	be able to progress without a sound business case and agreed procurement plan.	<p><b>Response from February 2014:</b> 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>Response from July 2014:</b> 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>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> 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>Response from July 2014:</b></p>	As above	



Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<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>		
12.	<p><b>Wales Audit Office Recommendation</b>  <b>The current practices adopted by the Council for allocating work in respect of schools' building maintenance need to be more transparent .</b>  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> </ul> <p>establish agreed processes to evidence the selection of contractors from the approved list based on price, quality or past performance.</p>	<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.</p> <p>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>Response from July 2014:</b>  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</p>	<p>See items 5 and 7</p> <p><b>Response from January 2015:</b></p> <p>New working practices have now been established with links to Business Wales for the promotion of opportunities to businesses along with training on tendering processes.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<p>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.</p>		
13.	<p><b>Wales Audit Office Recommendation</b>  <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>  Management information needs to be available to enable Council officers to check and monitor the levels of work allocated to contractors.</p>	<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.  <b>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</b></p> <p><b>Response from July 2014:</b>  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>The Proactis e-sourcing system has now been configured to provide supplier selection rules based on a rotational basis. This will be used in Property Services when the new framework agreements are in place, and is available for use by Highways following the award of the Minor Works Framework Agreement.</p>	
14.	<p><b>Wales Audit Office Recommendation</b>  <b>The Council is not fully adhering to its current contract procedure rules in respect of school building maintenance works.</b>  Officers should be reminded of the requirement to obtain quotes for all works for less than £10,000 unless it can be</p>	<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</p>	<b>Complete in July 2014</b>	n/a

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	demonstrated that a quote would not be practicable, eg for emergency works.	<p>(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>Response from July 2014:</b> 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>		