

**POLICY & RESOURCES CABINET BOARD**

**7<sup>th</sup> JANUARY 2011**

**FINANCE & CORPORATE SERVICES**

**URGENT REPORT OF THE HEAD OF FINANCIAL SERVICES  
– H. JENKINS**

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**PART 1 - Doc.Code: PRB-070111-REP-FS-HJ-U**

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**PART 1**  
**SECTION A – MATTERS FOR DECISION**

**ITEM 1 - Implementation of Electronic Sourcing Software**

**1. Purpose of Report**

To seek Members approval to commence the implementation of Electronic Sourcing Software to e-enable the Council's tendering process.

**2. Background**

E-sourcing is the generic phrase adopted that covers both electronic tendering & Reverse electronic auctions.

E-sourcing is a defined workstream within the Council's Strategic Procurement Review, aimed at helping to modernise and make best use of the Council's resources in the tendering process.

This method of tendering also forms part of the Welsh Assembly Government's Xchangelwales programme. The appointed software company for the e-sourcing part of Xchangelwales is Bravo Solutions.

A Business Case has been produced for the introduction of e-tendering/auctions. A key part of the Business Plan identified that a structured roll out programme of the new methodology would need to be developed.

The migration of the tendering process from the traditional paper based process to a fully online electronic system poses a significant change in operational procedures for the Corporate Procurement department, which will not only affect the internal operations of the department but also the supply market who will be tendering for Council business.

The objectives of the roll out plan are:

- Provide a structured and planned roll out programme of e-tendering software into the Council's operational tendering procedures
- Identify upcoming contracts to process through the e-tendering platform
- Identify and resolve the issues regarding supplier capability of participating in an e-tender / e-auction
- Identify the need to increase governance awareness for officers and Members of the new electronic process.

### **3. Implementation of E-sourcing**

#### **Proposed Tenders for Action**

The Corporate Procurement Unit has an active contracting plan with all officers having a wide ranging portfolio of tendering covering a variety of supplies, services and works. These contracts involve agreements with both local, national and multinational organisations.

The following contracts are due to be tendered within the first quarter of 2011 and have been identified as a good opportunity to further roll out e-tendering:

#### Educational & Social Care Transport

The procurement of these services have been scoped by Edge Public Solutions and they have identified that these services should be tendered electronically and also to include the use of an e-auction. There will a high level of interest in these tenders from Bus & Taxi firms that operate out of Neath Port Talbot.

#### Roundabout / Bridge Advertising

The Council will soon be advertising to appoint a partner organisation that will promote advertising opportunities to businesses. These mainly take the form of adverts on Roundabouts / Bridges within the County (although some other key strategic advert points may be included in the tender). The main suppliers of such a service are regional / national companies.

#### Security

A contract for the provision of manned guarding to a number of Council properties has been scoped and an initial tender has been drafted. However, this contract is currently being looked at from a demand management perspective to potentially reduce the volume of services that are tendered. There is likely to be a strong local / regional interest in tendering for this contract.

#### Skip Hire

The contract for the provision of skip hire expires at the end of April 2011. The requirements of this service will be scoped in early 2011. The current main supplier is based in Port Talbot and there will be a lot of other local supplier interest in this opportunity with a spend of around £200k per annum.

## **Supplier Support & Assistance**

The Welsh Assembly Government funded Supplier Development Service gives local businesses a better chance of winning public sector contracts. This is achieved by:

- Promoting Welsh Suppliers
- Buyer/Supplier Network Events
- How to tender workshops
- Explaining how the public sector buys
- Helping SMEs collaborate
- Notifying SMEs of contract opportunities

In addition, WAG has a local supplier champion for the Neath Port Talbot area whose job is to work with local business, helping them win Council contracts.

The supplier champion is able to assist local suppliers through the tendering process and for those suppliers that have little or no IT capability, 'hand hold' them through simple tasks such as setting up an email address in order to access the Bravo system.

In addition to providing the support to the suppliers, the champion can also host events, whereby supplier briefings can be undertaken to inform potential suppliers of the details of a particular contract the Council is tendering. This will be at no cost to NPT.

There is also technical support from Bravo in terms of the operation of the system by means of a dedicated helpline which can help suppliers with any problems they may have in navigating around the system.

A representative from Bravo is also able to attend supplier briefing sessions should a demonstration of the e-tendering system be required as part of the briefing.

#### **4. Financial Implications**

Bravo Solutions e-tendering software is provided free of charge to the Council as part of Welsh Assembly Government's Xchangewales programme.

Business Support, via the Local Supplier Champion's time and any specific events, are also provided free of charge.

Bravo Solutions e-auction events attract a highly subsidised (via Xchangewales) £3k per auction.

#### **5. Recommendations**

Members approve the Implementation of e-sourcing, as detailed in Section 3.

#### **Reasons for Proposed Decision**

To ensure the Authority complies with the European Union Procurement Directive and the Council's Contract Procedure Rules.

#### **List of Background Papers**

Procurement files.

#### **Wards Affected**

All

#### **Officer Contact**

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# **COMPLIANCE STATEMENT**

## **Implementation of Electronic Sourcing Software**

### **Implementation of Decision**

The decision is proposed for implementation after the three-day call in period.

### **Sustainability Appraisal**

#### **Community Plan Impacts**

Economic Prosperity	-	positive
Education & Lifelong Learning	-	positive
Better Health & Well Being	-	positive
Environment & Transport	-	positive
Crime & Disorder	-	no impact

#### **Other Impacts**

Welsh Language	-	neutral
Sustainable Development	-	positive
Equalities	-	positive
Social Inclusion	-	no impact

### **Consultation**

There is no requirement under the Constitution for external consultation on this item.