

# Cabinet

16 July 2024

## Procurement of a Dynamic Purchasing System (DPS) for Professional Advice and Project Support Services

### Recommendations

That Cabinet:

- 1) Authorises the Executive Director for Resources in consultation with the Portfolio Holder for Finance and Property to undertake a procurement exercise to set up a Dynamic Purchasing System (DPS) for the provision of professional advice and project support services; and
- 2) Authorises the Executive Director for Resources to enter into all relevant agreements for the provision of such services referred to in Recommendation 1 on terms and conditions acceptable to him.

3)

### 1. Executive Summary

- 1.1 Spend on professional advice and project support services (one off professional advice to support transformation and improvement activity where there is a need to supplement internal resource with bespoke and specialist professional advice) is currently fragmented across multiple contracts. Procuring a corporate contract via a formal tender process will allow for a more commercial approach to this area of spend and will make it easier for individual service teams to access a compliant procurement route. The most recent spend analysis (from financial year 2022/23) identified the scope for these services to be up to £8m of spend (this includes both Revenue and Capital spend).
- 1.2 The proposed solution to this fragmented approach is to set up a corporate DPS (Dynamic Purchasing System). This DPS would be divided into 'Lots' covering the different areas of speciality across the authority and recognising the diverse nature of the requirement. This would consolidate a significant number of individual procurement exercises under one master corporate contract that would have consistent terms and conditions enabling more efficient and effective contract management.

## **Financial Implications**

- 1.3 The DPS itself constitutes no financial commitment in terms of volume or value of spend but does create a compliant and efficient contractual route for any subsequent requirements across the organisation.
- 1.4 Each individual 'further-competition' via the DPS will need to comply with the Council's Contract Standing Orders in respect of who has authority to approve the process, approve the contract terms and award and sign contracts and therefore the respective financial implications will be considered as part of these governance requirements for each individual contract procured under the DPS.
- 1.5 It is proposed that a 1% rebate will be added to all spend via the contract and this will contribute in part to the Commercial and Contracts Team Medium Term Financial Strategy (MTFS) savings target (referenced in 2.5 below)
- 1.6 The DPS will be open for use by other Public Sector bodies whose use of the DPS will incur a higher percentage rebate (5%). This will cover the additional administrative requirements of managing the DPS on behalf of other users and will also feed into the MTFS savings requirement.
- 1.7 An element of the Commercial and Contracts Team's MTFS savings target is contingent on the implementation and use of the DPS (£14k in 2024/25 and a further £28k (totalling £42k) in 2025/26).

## **2. Environmental Implications**

- 2.1 None.

## **3. Supporting Information**

- 3.1 A corporate contract would provide a simpler route to market for individual service teams when the need for support arises, it would also reduce the number of large-scale procurement exercises conducted by the Authority.
- 3.2 The proposal to use a Dynamic Purchasing System (DPS) for the contract will not restrict users access to current or preferred suppliers as a DPS is open to new entrants during its lifespan.
- 3.3 As the DPS allows new entrants to apply for entry at any time during its lifespan, existing contracts could continue until their current expiry date and then be re-procured via the DPS reducing the need for duplication.
- 3.4 Incorporating spend into one contract will provide better visibility of the spend across the organisation on these services and will enable better control mechanisms for spend in this category.

3.5 As responsibility for procurement activity is devolved to individual services, the success in reducing the amount of procurement activity, controlling costs and contributing to the savings target will be dependent on service managers utilising the DPS once it is in place.

#### 4. Timescales associated with the decision and next steps

4.1 Procurement exercise to take place in July/August 2024 with DPS to be in place September 2024.

#### Appendices

1. None.

#### Background Papers

1. None.

	<b>Name</b>	<b>Contact Information</b>
Report Author	Mark Baker Procurement Manager	markbaker@warwickshire.gov.uk
Director	Purnima Kandula Director of Finance	<a href="mailto:purnimakandula@warwickshire.gov.uk">purnimakandula@warwickshire.gov.uk</a>
Executive Director	Rob Powell Executive Director for Resources	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Portfolio Holder	Councillor Peter Butlin Portfolio Holder for Finance and Property	<a href="mailto:peterbutlin@warwickshire.gov.uk">peterbutlin@warwickshire.gov.uk</a>

The report was circulated to the following members prior to publication:

Local Member(s): None – this is a County wide report

Other members: Councillors Warwick, Birdi, Boad, Feeney & Roberts