

## **COUNCIL PROCUREMENT POLICY AND LOCAL BUSINESS AND LOCAL EMPLOYMENT**

1. In July 2011 the Overview and Scrutiny Committee agreed to undertake a review of Council Procurement Policy and Local Business and Local Employment.
2. The Council has stated that it is keen to support local business and employment and the aim of the review was to ensure that the Council and its Contractors were doing all that is reasonably possible to support local business and local employment through their procurement policies.
3. The Committee commissioned a Task and Finish Group to undertake a review. The agreed terms of reference of the task and finish group were:
  - To consider the current procurement policies and practices of the Council and its major Contractors and the extent to which contracts are currently let to local business and local employment.
  - To consider whether the procurement policies and practices are communicated effectively both internally and externally and whether they are adhered to consistently.
  - To consider the legal framework governing procurement and whether the most is being made of the opportunity to encourage local business and employment.
  - To establish whether there are any barriers that make it difficult for local businesses to submit tenders and if so what can be done to remove them.
  - To consider what measures are being taken to assist local businesses to submit tenders and secure contracts, whether these are effective and whether any additional measures that can be taken.
  - To consider how the Council's success in meeting its aim to support local businesses and local employment is measured and whether this is appropriate.
  - To consider approaches being taken by other authorities and seek to identify best practice.
4. The full Scoping Statement for the review is set out in Appendix 1.
5. This report addresses the key questions from the scoping statement including comments upon a number of other related issues identified during the review and sets out a number of recommendations. The recommendations are consolidated at the end of the report for ease of reference.
6. The Task and Finish Group Members were Councillors A Atkinson (Chairman); A Bridges, J Hardwick; J Kenyon G Powell, and P Rone. Councillor A Seldon chaired several of the Group's earlier meetings prior to his appointment as Chairman of the Overview and Scrutiny Committee and replacement In November 2011 as Chairman of the Group by Councillor Atkinson. The following Officers supported the Review: N Webster Economic Development Manager (Lead Support Officer) S Carter, Head of Commercial Services and T Brown (Democratic Services).
7. The activity the Group undertook is set out at Appendix 2.
8. The Group would like to thank all those who participated in this review.

## FINDINGS ON KEY QUESTIONS

### What are the current procurement policies of the Council and its Major Contractors?

9. The Council's Commercial Strategy promotes a number of goals for procurement processes. The view is that efficient and effective procurement helps deliver good quality, value for money services, supplies and construction to the County. Savings realised can be used to fund corporate projects and priorities.
10. Poor procurement practices including inadequate planning and contract failures can result in financial loss and damage to reputation. Poor tender specifications and procurement design may result in costly overruns and low quality contract performance.
11. The Council has rules in place governing procurement to ensure that it is conducted fairly and accountably. The basic provisions are as follows:

Commitment Value		Action
From	To	
	£1,000	No formal quotation or tender but must demonstrate Value for Money.
£1,001	£10,000	Two formal quotations must be obtained
£10,001	£50,000	Three formal quotations must be obtained.
£50,001	EU limit	Formal tendering required.
Above EU limit		European Procurement rules to be followed.

12. One of the principal tools the Council is developing to manage procurement is the Proactis "eTendering" portal. Suppliers can navigate to it and view the Council's advertised tender opportunities and register free of charge to 'express interest' in participating in relevant tender events. The Council can proactively alert suppliers to relevant tender opportunities. Suppliers submit tender responses electronically.

### What is the extent to which contracts are currently let to local business and local employment?

13. A local supplier is defined for the purposes of this report as one based within the County based on postcode.
14. The Council currently spends about £180m annually procuring goods and services. The Group was informed at the outset of the review that based on an examination of

the contracts register and the Agresso purchasing system £50m of this expenditure is with local suppliers (27.8%). Of £875m of committed spend (the value of the unexpired portion of current contracts) £400m is with local suppliers (45.7%). Of the 853 contracts registered on the Proactis system, the Council's procurement portal, 351 were with local suppliers representing 47.4% of expenditure based on the Agresso spend from April to July 2011.

15. The approaches of 3 of the Council's partners: Amey (through the Council's Joint Venture Company Amey Wye Valley Ltd (AWV)), Halo Ltd and Shaw Homes Ltd are described below.

### **Amey Wye Valley Ltd**

16. A breakdown of expenditure in 2010/11 by Amey Wye Valley is shown below

<b>Total local spend</b>	<b>6,218,706.50</b>
Payroll costs	7,327,732.76
<b>Total local spend including payroll</b>	<b>13,546,439.36</b>
Annual spend including payroll	24,596,932.60
Annual spend NOT including payroll	17,269,199.84
<b>Local spend % of total spend.</b>	<b>55.07%</b>
<b>Local spend % of total spend not including payroll</b>	<b>36.01%</b>

17. Whilst the Council can not demand that Amey use only local suppliers, any more than the Council itself could choose only to use local suppliers, the Council has sought to incentivise such use. Since 2009, the Managing Agent Contract has included a key performance indicator related to local spend. Negotiations on the current contract include the proposal to increase the target for local spend with suppliers. A key aim is to encourage Amey as a strategic partner and to develop capability in the County so that firms were chosen to supply goods and services not simply because they are local but because they were the best provider and could compete nationally.
18. The Group note the Chamber of Commerce's view that the local expenditure target is achieved largely through the highways and transportation sector of the business and

that the experience with Amey varied depending on which arm of the organisation was involved and at what level.

19. In return for some early payments by the Council, Amey has agreed to pay local suppliers within 20 days rather than 40-50 days so improving cash flow in the local supply chain.
20. The Group was informed that AWV believed that as a strategic partner of the Council it had a role to play in the economic development of the County, providing work opportunities and training, stimulating innovation and developing a sustainable approach in the County. Examples given included the development of an apprenticeship academy and provision of work experience.
21. The Group was also informed of an open morning held in November 2011 with its then current contractors to identify ways in which AWV could work better together and explored ideas for improved working, efficiency savings and potential for combined growth. AWV also held an open day in January 2012 supported by the Chamber of Commerce and the Council to work with new local suppliers.
22. The Group noted that Amey and the Council maintained separate lists of suppliers and that Amey did not use the Proactis System. Whilst the Amey Group has its own national procurement system the Group considers that there would be merit in Amey and the Council sharing information to improve service delivery.
23. The Group was also concerned that the analysis provided by Amey of the contracts that it let indicated that few big contracts seemed to be let locally. There was also a perception that Amey appeared to use the same contractors time after time and it was very difficult for a contractor to bid for a one-off job.
24. AWV commented that it made business sense for Amey to take advantage of its national presence in its procurement arrangements and this meant that it simply would not procure some things locally. Amey contracted with about 50 local businesses. There had to be some limit because it was necessary to provide a sustainable level of work for contractors Firms needed to have some certainty of work over time to enable them to prepare a business plan and make the necessary capital investment.
25. Further observations on the Amey contract are set out in a later section of this report on value for money.

### **Halo**

26. The Group was informed that Halo let very few contracts. The Council was responsible for major maintenance and replacement works. A lot of work was highly specialist and an in-house technical team carried out a lot of tasks. Halo had a number of long-term contracts with local builders with whom good working relationships had been developed.
27. It was acknowledged that Halo too had its own procurement system but suggested that there would be benefit, as with Amey, in sharing information.

## **Shaw Homes Ltd**

28. The Group was advised that turnover in the County in 2010/11 was about £4.5m, with £2.7m spent on staff. Spend in the County on goods and services was about £1m. About 40% of this was with local contractors, the level varying from service to service. The Group was told that Shaw did seek to encourage Small and Medium Enterprises within localities. Its environmental management practices encourage use of local services and local sustainability. However, the big block contracts Shaw let could not be met by suppliers in the County.
29. It was noted that Shaw had recently won a contract in Camden. Camden and Islington had jointly produced a directory of contractors: ICAM, and as part of the tender process Shaw had been required to put forward proposals setting out how it would engage with local providers. Shaw considered a meet the buyer event organised by Camden had been particularly productive. Whilst this posed some issues in a rural county the possibility of locality events in the County was raised.
30. Shaw Healthcare has agreed that any Herefordshire based company that wishes to supply Shaw can leave their marketing collateral at their local Shaw operated residential care home. This will then be forwarded to the appropriate person at Shaw Head Office.

## **Town and Parish Councils**

31. The Group has suggested that Town and Parish Councils might find it helpful to draw on the database of suppliers held on the Proactis system and that arrangements to share data with them should be explored. Commercial Services have informed local Councils of Proactis and its uses and offered a point of contact with a view to using the system or obtaining supplier information from it.
  - (a) **That the Council's Partners should, if possible, use the Council's Proactis system to advertise procurement opportunities and if this is not possible give a commitment to share information about local suppliers.**
  - (b) **That Parish Councils might find it helpful to draw on the database of suppliers held on the Proactis system and arrangements to share data with them should continue to be explored.**

## **Are The Procurement Policies And Practices Communicated Effectively Both Internally And Externally And Are They Adhered To Consistently?**

### **Internal Communication**

32. Until recently procurement within the Council was devolved to service areas with some 700 authorised signatories. The procurement function is now centralised under Hoople Ltd, the Shared Services Partnership. The aim is to achieve best practice throughout the procurement process. However, it is clear that at the moment there are inconsistencies.
33. Action is being taken by the central procurement team to address this issue. Whilst Service Areas continue to undertake their own procurement, the requirement that all

purchases are made through the Agresso system enables the central procurement team to manage procurement, with limits set for each relevant officer, to identify issues and seek to ensure that poor practice is not repeated. A procurement online toolkit for Council employees covers general issues to consider when procuring goods and services, provides a set of template documents, describes routes to market [e.g. Frameworks] and generally aims to enhance consistency of approach.

34. The Group considers it imperative to ensure a common approach across Directorates. Action should be taken to ensure that existing staff are equipped with the necessary skills/core competencies in relation to procurement and that generic training is available, rather than employing additional staff to monitor contracts.
35. The Group also identified that the role of Contract Monitoring Officers (CMO) set out in the Constitution requires review and clarification to ensure that there is a clear understanding of the role the CMO is expected to fulfil across Directorates
36. The Group was assured that lists of contracts being let were being maintained and that strong monitoring arrangements were in place for the Council's major contracts such as those with Amey, Halo, and Shaw, and the Waste contracts.
37. The Group considered that the Council's systems could be demonstrated to be more robust if lists showing the contracts let and who was responsible for monitoring them were maintained by each Directorate and held in a central location available to the relevant Director for inspection, with a formal review of the lists say every six months.
38. In relation to major contracts the Group is mindful of the potential for relationships between clients and contractors to become less challenging over time. It has suggested that greater transparency of the management of all the Council's major contracts might be achieved by periodic independent, external assessment, undertaking sample audits to verify whether or not the Council's assessment of the value for money of contracts and performance of these contracts is correct.
  - (c) **That the role of Contract Monitoring Officers set out in the Constitution requires review and clarification to ensure that there is a clear understanding of the role the CMO is expected to fulfil across Directorates.**
  - (d) **That lists showing the contracts let and who is responsible for monitoring them should be maintained by each Directorate and held in a central location available to the relevant Director for inspection, with a formal review of the lists say every six months.**
  - (e) **That six monthly sample audits be undertaken, perhaps as part of the audit programme, to provide an independent, external assessment of the Council's major contracts to verify whether or not the Council's assessment of the value for money and performance of these contracts is correct, with a report subsequently submitted to the relevant Cabinet Member and the Chairman of the Overview and Scrutiny Committee.**

#### **Engagement with Suppliers**

39. The Group strongly believes that the Proactis procurement system provides an excellent means of managing procurement and improving engagement with suppliers. The only concern it has at the moment is about how best to encourage its use. The Procurement Team has been proactive in encouraging suppliers to register on the system. At the start of the review only some 500 businesses had registered out of a Small and Medium Enterprise (SME) base of some 8,500 firms. Whilst it is pleasing to see that over 1,000 firms are now registered it appears that there is still some way to go, although it has to be recognised that it is clearly very difficult to assess just how many businesses wish to be registered.
40. The Group emphasises the importance of communication with businesses to ensure that they are aware of Proactis and all who wish to do so are registered on the system. It considers all communication channels should be used to raise awareness. This would help increase competition and increase the opportunities for local businesses. The Group suggests that a communication plan should be prepared.
41. It is recognised that there is a temptation for staff, with no intended impropriety, to use tried and tested suppliers, and it is in some ways administratively easier to do so. The intention is that by the end of the financial year staff will need to demonstrate a good reason for not using Proactis. The Group considers Proactis needs to be embedded across the organisation. It suggests that to secure compliance by all those procuring services, consideration should be given to amending Contract Standing Orders to make it mandatory that all procurement above a threshold of £10,000 must be undertaken via the Proactis system unless a waiver not to do so is approved by the Commercial Services. Compliance with this requirement should be monitored and reviewed.
42. To assist in embedding the use of Proactis across the Council the Group proposes that the Commercial Services should make presentations to Directorate Management Teams and arrange awareness sessions for officers directly involved in using the system.
43. It was suggested that to encourage businesses to use Proactis the Council could include information to suppliers about Proactis when sending payments to them. This could emphasise the need to register on the system if firms wanted to be considered for contracts. The Group considered that this was more likely to receive attention from businesses than a flier.
44. The Group also noted that specific events had been run in relation to large capital schemes to seek to ensure that the major contractor appointed would consider letting sub-contracts to businesses within the County. It was noted that the way in which the Council's actions were reported in the press was not always helpful. The Group considers that the Council could publicise its use of local contractors more effectively.
45. The Group was informed that it had come to light in letting some recent contracts that some local suppliers were not adequately equipped to fulfil the requirements of the contract (for example health and safety). It considers there may be scope for the Council to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills.

46. In terms of publicising the Council's work with local businesses, and training opportunities etc, it is suggested that there is the possibility of including information in the Council tax leaflet.
47. The Herefordshire and Worcestershire Chamber of Commerce identified some concerns over the advertisement and promotion of contracting opportunities. This reflected the experience of Members of the Group within the Community.
48. The Group held a meeting open to the public that businesses were invited to attend to give the Group the opportunity to hear their experiences of the Council's procurement policies and practices.
49. The general perception of those who attended to submit their views to the Committee was that there was not a level playing field. Criticisms included: it seemed to be very difficult to become an approved supplier; contracts appeared to be let to the same suppliers time after time; and there did not seem to be information readily available on when contracts were up for renewal. It was also suggested that several businesses were wary of expressing their views about the Council's procurement processes and those of Amey fearing this would be to their disadvantage. Whilst this can not claim to be a scientifically representative view it is clearly significant.
50. This report has commented earlier on the way in which the procurement process has been dealt with by individual service areas, creating a fragmented and confusing picture. It has also outlined the drive to centralise the Council's procurement arrangements and make them more transparent, with the development of the Proactis procurement portal being a key part of this process.
51. The Group did discuss whether there was sufficient information on the Proactis system to enable clients to identify local contractors. There was some concern expressed to the Group that any additional measures seeking to direct clients to local contractors (for example separate listings for local firms and others) would be legally unsound.
  - (f) **That a communication plan be developed to raise awareness of the Proactis system to try to ensure that all businesses who wish to register on the system are registered.**
  - (g) **That Contract Standing Orders should be amended and it should be mandatory that all procurement must be undertaken via the Proactis system unless a waiver not to do so is approved by the Commercial Services.**
  - (h) **That compliance with the mandatory requirement that all procurement above a threshold of £10,000 must be undertaken via the Proactis system should be monitored and reviewed every quarter for one year and six monthly thereafter.**
  - (i) **That to support the embedding of the Proactis system across the Organisation annual presentations be made to each Directorate Management Team by Commercial Services and two awareness**



**sessions arranged per year for officers directly involved in the use of Proactis.**

### **What Is The Legal Framework Governing Procurement And Is The Most Being Made Of The Opportunity To Encourage Local Business And Employment?**

52. The European Union Procurement Directives set out the law on public procurement. They are designed to open up the public procurement market and increase competition. Rules apply to purchases by public bodies above a set threshold. Contract opportunities must be advertised in the Official Journal of European Union (OJEU).
53. The Directives and Regulations are constantly changing (due to evolving European and domestic case law, new and revised directives and amendments to existing regulations).
54. One way that the Council encourages local suppliers to bid for and win contracts is through evaluation questions. Two such questions are shown below:  
  
*“Describe how you would meet the availability and service requirements of the council, clearly showing how you would integrate the services to the Partners to provide a benefit and how you would address the **specific challenges posed by a rural environment**”. The words highlighted in bold allow us to assess qualitatively whether or not suppliers have the knowledge to tailor services specifically to our needs and so there is an inbuilt bias towards local organisations.*  
  
*“Demonstrate how your cost base allows you to deliver the service we require at a competitive price and still make an acceptable profit”. This is a question biased towards smaller organisations as for certain services they can demonstrate that they do not have the same overheads as a larger organisation but still provide the quality of service required.*
55. No particular actions have been identified in relation to the interpretation of the legal framework that would provide additional opportunity to encourage local business and employment. Some observations on the application of the EU procurement rules are set out below.

### **Are There Are Any Barriers That Make It Difficult For Local Businesses To Submit Tenders And If So What Can Be Done To Remove Them?**

56. The Group was advised that the biggest barrier for local businesses is their capability and capacity to win contracts, given the small size of the majority of local businesses and the demands of the contractual process.
57. The Group has been informed that there is recognition that the Council should review its Prequalification process to ensure that it is as straightforward as possible.
58. A number of concerns were expressed to the Group about the Council's interpretation of the EU procurement rules. The Group considers that the Council should be alert to any changes to EU procurement rules and benchmark its

interpretation of these rules with peer authorities to ensure that any adverse effect on local firms is minimised.

59. For example, European Commission public procurement proposals of Dec 2011, COM (2011) 896” allows for the possibility to break down contracts into small lots of €500,000 or less as a means of encouraging SME’s to bid. This paper is currently out for consultation.
60. Concerns were also expressed to the Group that the accreditations the Council required for the supply of certain services were unnecessarily onerous. It was suggested there were examples of the Council ruling that a contractor was ineligible for a contract and the subsequent winner of the contract then sub-contracting to the contractor who had originally been unsuccessful.
61. However, the simple fact is that the majority of businesses within the County are micro-businesses employing fewer than 10 people looking to bid for contracts up to a value of £20k. The Council often lets contracts of a higher value which these firms do not necessarily have the resources to undertake.
62. The Joint Procurement Strategy recognises that Procurement can influence the local economy by, for example, encouraging the formation of local consortia which would then have the necessary capability and capacity to win Herefordshire Public Services contracts.
63. The Chamber recognises that if the business community is not of the standard/size and expertise and capacity to understand the contractual processes and resource the work to undertake them effectively it will not be successful in winning business from the public sector.
64. It is suggested that businesses need to recognise that they need to work together to win contracts, given the investment in time and capacity to meet the more demanding aspects of public sector contracts, compared to some private ones. At the moment it has to be recognised that some businesses will not seek public sector work because they simply can not afford to invest the requisite time in the process.
65. A further problem is posed by the generally accepted procurement practice across the Country, in both the public and private sectors, that a client such as the Council should not award a contract to a firm that would represent more than 30% of an individual firm’s business. This could put the Council at risk of non-delivery. It also creates a risk for the supplier making them over dependent. The Council offered some flexibility on this point but it was a further issue related to the small size of most businesses in the County
66. The Group suggests that every effort be made by the Council to work with the Chamber of Commerce to seek to address this issue.
  - (j) **That the Council should be alert to any changes to EU procurement rules and benchmark its interpretation of these rules with peer authorities to ensure that any adverse effect on local firms is minimised.**

- (k) That the Council should review the accreditations required in its contracts for the supply of certain services to ensure that they are proportionate and not unnecessarily onerous.
- (l) That the Council consider how to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills to achieve the necessary accreditations that the Council's contracts generally require.
- (m) That a Plan be produced setting out how help will be provided to develop local capability and capacity to win contracts including encouraging the formation of local consortia or other means.

**What Measures Are Being Taken To Assist Local Businesses To Submit Tenders And Secure Contracts, Whether These Are Effective And Whether Any Additional Measures Can Be Taken?**

67. The Group has noted that several steps have been taken to try to assist local businesses. These include:
- Events organised by the Chamber of Commerce for local suppliers on the Council's strategy and how suppliers can position themselves to win business, briefings to suppliers on how to complete the first part of the two part selection process and on how to put together a successful bid once they are through the first part of the process planned for November. These have received very positive feedback. The Group has suggested that consideration be given to how to publicise these events to businesses who were not members of the Chamber.
  - A Supplier Relationship Management Programme is being developed to establish a relationship between the aims and goals of the Council and its suppliers.
  - The investment in ICT to encourage communication and involvement with suppliers eg supplier portal, electronic auctions and contracts management. (This has been discussed in detail earlier in this report.)
  - A project to develop a "marketplace" as part of the roll out of one of its ICT systems. to allow officers to search on-line catalogues made available by local firms is ongoing.
  - Specific events have been run in relation to large capital schemes to seek to ensure that the major contractor appointed would consider letting sub-contracts to businesses within the County.
  - In letting sub-contracts for the development of the Edgar Street Grid Stanhope, the developer, will be required to engage with local contractors.
68. As referred to above some local suppliers are not adequately equipped to fulfil the requirements of some contracts, for example health and safety requirements. There is scope for the Council to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills.

**How is the Council's success in meeting its aim to support local businesses and local employment measured and is this appropriate?**

69. Reference was made earlier in the report to the targets for expenditure with local suppliers within the Amey Contract.
70. The commentary on the legal position noted the restrictions on favouring local businesses.
71. The Group does consider that it would be prudent to put arrangements in place to measure the amount of work let locally that is sub-contracted locally to ensure a true picture of local spend is captured.

**(n) That arrangements are put in place to measure the amount of work let locally that is sub-contracted locally to ensure a true picture of local spend is captured.**

**What Approaches Are Being Taken By Other Authorities And Seek To Identify Best Practice?**

72. The Council is represented at the West Midlands Regional Head of Procurement Group. The Head of Commercial Services has advised that the Council's practices are being developed in line with any good practice recommended by that Group.
73. The Group has also considered scrutiny reviews undertaken by East Sussex Council and Sandwell Council.

**Value for Money**

74. One of the key aims of effective procurement is to achieve value for money. The Group has considered this aspect of the Amey contract, in particular, at some length and continues to have concerns about this issue.
75. AWW's view was that there has been a measurable improvement and that there was public satisfaction. The Group was also made very much aware of the negotiation of the Managing Agent Contract in 2009 that resulted in a £1m saving per annum; the argument that rather than considering the cost of individual jobs, regard had to be had to the savings generated by the contract as a whole, with profits in some areas offsetting some loss making services; the resilience provided by the contract in maintaining a capability to respond to emergencies such as bad winter weather; and Amey's accreditation and emphasis on good environmental management, good safety provisions and the effective management of risk.
76. However, many Councillors including those on the Group share the perception that there are too many instances where local contractors could carry out works at less cost than Amey. Further work needs to be undertaken to test whether that perception is well founded or not.
77. The Group notes in particular the difference in the arrangements for provision of highway works and property services. It discussed whether there should be a

threshold below which contracts should not automatically have to be delivered through Amey.

78. The Group is mindful of the contract negotiations underway with Amey. It has recommended earlier in the report that periodic independent, external assessments be undertaken of major contracts.
79. The Group recognises that the current model of service delivery forms part of the current discussions. However, it urges that if the current model is maintained that the Council should have two Councillors on the Amey Wye Valley Board with full voting rights.
  - (o) **That if the current model under the Amey Contract is maintained the Council should have two Councillors on the Amey Wye Valley Board with full voting rights**

#### **CONSOLIDATED RECOMMENDATIONS**

- (a) **That the Council's Partners should, if possible, use the Council's Proactis system to advertise procurement opportunities and if this is not possible give a commitment to share information about local suppliers.**
- (b) **That Parish Councils might find it helpful to draw on the database of suppliers held on the Proactis system and that arrangements to share data with them should continue to be explored.**
- (c) **That the role of Contract Monitoring Officers set out in the Constitution requires review and clarification to ensure that there is a clear understanding of the role the CMO is expected to fulfil across Directorates.**
- (d) **That lists showing the contracts let and who is responsible for monitoring them should be maintained by each Directorate and held in a central location available to the relevant Director for inspection, with a formal review of the lists say every six months.**
- (e) **That six monthly sample audits be undertaken, perhaps as part of the audit programme, to provide an independent, external assessment of the Council's major contracts to verify whether or not the Council's assessment of the value for money and performance of these contracts is correct, with a report subsequently submitted to the relevant Cabinet Member and the Chairman of the Overview and Scrutiny Committee.**
- (f) **That a communication plan be developed to raise awareness of the Proactis system to try to ensure that all businesses who wish to register on the system are registered. .**
- (g) **That Contract Standing Orders should be amended and it should be mandatory that all procurement must be undertaken via the Proactis**

**system unless a waiver not to do so is approved by the Commercial Services.**

- (h) That compliance with the mandatory requirement that all procurement above a threshold of £10,000 must be undertaken via the Proactis system should be monitored and reviewed every quarter for one year and six monthly thereafter.**
- (i) That to support the embedding of the Proactis system across the Organisation annual presentations be made to each Directorate Management Team by Commercial Services and two awareness sessions arranged per year for officers directly involved in the use of Proactis.**
- (j) That the Council should be alert to any changes to EU procurement rules and benchmark its interpretation of these rules with peer authorities to ensure that any adverse effect on local firms is minimised.**
- (k) That the Council should review the accreditations required in its contracts for the supply of certain services to ensure that they are proportionate and not unnecessarily onerous.**
- (l) That the Council consider how to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills to achieve the necessary accreditations that the Council's contracts generally require.**
- (m) That a Plan be produced setting out how help will be provided to develop local capability and capacity to win contracts including encouraging the formation of local consortia or other means.**
- (n) That arrangements are put in place to measure the amount of work let locally that is sub-contracted locally to ensure a true picture of local spend is captured.**
- (o) That if the current model under the Amey Contract is maintained the Council should have two Councillors on the Amey Wye Valley Board with full voting rights.**