

### **Environment, development and transport committee Review of pipeline of contracts within the Environment, Development and Transport Service Committee's purview**

The council buys goods and service worth more than £600m each year. Policy & Resources committee has asked that each service committee receive an overview of forthcoming contract renewal dates for its area so that members have sufficient notice about forthcoming procurements to provide strategic input.

We spend £600m each year on services and goods for Norfolk people so we need to ensure that we are buying the right things in line with our strategy to help manage demand and target resources so they have the maximum impact for Norfolk residents.

The contracts within this committee's purview mainly relate to highways, waste and passenger transport.

The pipeline for the period to the end of 2018 (the period of this report) is relatively brief but includes:

- The contract for smart ticketing services for passenger transport
- A set of contracts relating to plant hire for the highways service
- The contract for landfill leachate disposal
- The contract with Mott Macdonald for specialist consultancy relating to the NDR

Many of the contracts for highways and waste have a long lead-time. In particular, the committee will be mindful of the expiry of waste disposal contracts in 2020 (with the option to extend until 2021).

## **1. Current position**

- 1) A regular 'contract pipeline' report is being produced, which
  - a. provides an opportunity to get a grip on contracts well in advance of their expiry and to identify opportunities for re-negotiation, re-specification, cessation, merging activities and taking activities in-house; and
  - b. enables senior managers collectively to discuss member engagement and reputational issues and to consider organisational capacity and preparedness to manage forthcoming contract renewals.
- 2) The pipeline consists of the top 400 contracts, and each quarter Executive Directors review all contracts amongst the top 400 with a break or expiry point in the next three years. This will enable decisions to be brought to committees in a timely fashion.
- 3) The top 400 contracts cover approximately £500m of annual expenditure, and include contracts down to around £250k per annum.
- 4) The pipeline for EDT committee for the period to end-2018 is shown below. Contracts with an annual value of approximately £5.6m are due to end or have a break point.
- 5) Contacts where successor arrangements are already in place or where no successor contract is required are coded blue; contracts where a strategy needs to be developed are coded amber.

- 6) No contracts are coded red – which would indicate that arrangements for a replacement contract had been left too late.
- 7) Of the contracts on the pipeline:
  - a) New arrangements have been put in place for South West Smart Applications Limited, a local-authority owned organisation, to act as central purchasing body on behalf of the council for smart passenger transport ticketing technology.
  - b) The contract with MottMacdonald for advice in respect of the NDR will come to a natural end when the road is completed.
  - c) It is likely that the contract will be renewed with UKROEd Ltd, the not-for-profit trading subsidiary of the Road Safety Trust, in respect of back office support for speed awareness courses. UKROEd is the sole provider of these services.
  - d) The procurement team is undertaking a review of the contract for vehicle fuel cards under the Crown Commercial Service framework agreement to identify any savings opportunities.
  - e) The procurement and highways teams are developing a strategy for replacement of the current plant hire arrangements, which involve a number of local small and medium businesses
- 8) The adoption of a common approach to vehicle fleet management across ETD – which encompasses the main council fleets in fire, libraries and highways – provides an opportunity to review procurement practices for vehicle purchase, vehicle lease, parts, maintenance and fuel. The fire service's procurement manager is undertaking an initial review on behalf of the Head of Procurement, and this review may result in further tender exercises.
- 9) The Head of Procurement, in his capacity as senior client for the Norse Group, is working with client teams across the council to review value for money of the various agreements with Norse Group. Of relevance to this committee are the agreements for household waste recycling centres and for transport. The latter are renewed annually, and the Head of Procurement will be liaising with the Assistant Director Highways and Transport about this year's renewal.
- 10) The committee will be aware of the need to finalise the waste procurement strategy in good time for the expiry of the current contracts in 2020. A one-year extension is available on these contracts.
- 11) The procurement team is working with directorates at the request of CLT to provide assurance about the management of major contracts. In this committee's portfolio, this will include the highways maintenance contract, the street lighting PFI and the waste disposal contracts. We will be reporting progress in the next six-monthly update to Policy & Resources Committee.

Additional information can be found in the report to Policy & resources Committee [Procurement six-monthly update report to Policy & Resources committee, 31 October 2016](#)

If you have any questions about matters contained in this paper please get in touch with:

**Officer Name:** Al Collier **Tel No:** 01603 223372

**Email address:** [al.collier@norfolk.gov.uk](mailto:al.collier@norfolk.gov.uk)

## Contract pipeline

