



STRATEGIC POLICING AND CRIME BOARD 20 December 2022

PROCUREMENT UPDATE

PURPOSE OF REPORT

1. The purpose of this paper is to provide the Board with an update on the delivery of the Joint Procurement Strategy between the Police and Crime Commissioner (PCC) and West Midlands Police (WMP) for the period 2022 to 2025.

BACKGROUND

2. The Joint Procurement Strategy for the period 2022 – 2025 was approved by the Strategic Police & Crime Board (SPCB) in December 2021 (**Appendix A**). The PCC delegates commercial matters to the force by way of the Scheme of Delegation and Standing Orders.
3. The force (acting on behalf of the PCC) spends up to circa £85m per annum recurring on procuring goods, works and services.
4. Our overall procurement vision is to deliver a high quality and cost-effective service which assists in force performance. Whilst delivering value for the people of the West Midlands and assisting in the economic development in the region. We work closely with WMP colleagues, our supply chain, regional procurement leads in other forces, other blue light organisations, Bluelight Commercial Ltd and the Social Value Portal to achieve this.
5. Our key aims are:

5a. To make sure all commercial activity creates value for money.

All procurement activities are assessed for value for money as part of the evaluation process. Bids are scored based on the price, quality and social value. To ensure that the value for money obtained as part of the tendering and award process is delivered, all contract terms and conditions include service specific Key Performance Indicators (KPI's), which enable the supplier to be held accountable for the provisions they put forward as part of their bid. These are regularly monitored through our contract management process, to ensure that contracted commitments are delivered and poor performance is challenged throughout the lifetime of the contract.

For example, our tender for Digital Forensic Services this year, was heavily weighted in favour of quality, (75% quality, 20% price, 5% social value). Specific quality questions including the service providers ability to manage their incoming workload capacity, manage performance/quality standards and to detail their approach to innovation in the forensic market place were asked. Although a higher emphasis on

quality was applied to this tender, we also secured savings against the budgeted price and a total of £10,646 in social value commitments.

Further details on savings achieved and social value delivered are detailed in section 6 of this report.

5b.To consider national priorities in local procurement activities around creating new businesses, new jobs and new skills.

We are committed to a performance and evidence-based approach to Social Value. The approach is based on the National TOMs (Themes, Outcomes and Measures). There are 5 Themes which relate to jobs, growth, social, environmental and innovation. Followed by 31 outcomes and 129 measures.

Bidders are required to propose credible targets against which performance (for the successful bidder) will be monitored. The social value measurement framework used within our tender process was in part tailored to reflect the specific aspirations of the Force. Using the national TOMs, bidders be able to access this when tendering and select from a range of options which they are able to commit to.

This year we have taken the opportunity to review our aims and objectives around social value. We are working with the Social Value Portal and reviewing the TOMs available for selection. The intention is to create a master and 'lite' set of TOMs, with the lite set being more specific to the force priorities. This lite set will include a higher weighting mechanism to encourage suppliers to choose TOMs which are more focussed on force specific priorities.

We are working on clarifying roles and responsibilities to ensure that social value is embedded as part of the procurement process. Training is being rolled out to the Contracts and Procurement team and other WMP colleagues. This is to ensure that the teams are confident using both the TOMs framework for social value measurement and the Social Value Portal.

The experience of the force and wider public sector organisations is that winners of tenders are usually very diligent in their delivery of social value, where there are clear expectations. However, as a prudent measure as part of our review of our tender documentation, we are looking to include a remedy for non-delivery of social value. We are working with colleagues in Legal Services and the Social Value Portal.

Furthermore, we are working with the force Environment & Sustainability Manager to ensure that force green agenda is reflected in our social value priorities. **See section 7c.**

We expect this work to be completed by the end of January 2023 and to be applied to all new contract evaluations from March 2023. Details of social value delivered to date are included in **section 6.**

5c. Working in an ethical way with others to create environmental, ethical and sustainable procurement.

As part of our procurement and contracts process, we seek assurances from the successful bidder around their environmental policies, processes and green credentials. To improve our commitment in this area we are now working with the force

Environment and Sustainability Manager. **Details of the work underway is included in section 7c of this report,**

5d. To put in place competitive contracts, where we can drive efficiency and innovation. 5e. We will drive efficiencies and improve performance through working with the supply chain through continuous improvement. This is aligned to with our force strategy.

We have continued to embed our approach to contract management using the supplier relationship management (SRM) framework. All new contracts have supplier performance measures (SPM) built in and Key Performance Indicators (KPI's) are discussed and agreed at the outset. Client departments and procurement advisors have now been trained on how to use the portal Lean Linking (LL). Amongst other things this portal allows the team to record, monitor and drive performance improvements of suppliers.

Each contract has an associated business relationship owner (BRO) and Performance Surveys are actioned and reported on based on segmentation. Each contract is segmented based on impact and risk to the force which provides a suggested frequency for performance surveys /review meetings.

Through receiving feedback from clients, regular reviews, and management information, we can now evidence efficiencies and performance improvements. LL has not only become our master database and central repository it has also become the platform to reach out to all our corporate contracted suppliers via surveys, which have included over the last 12 months, Supply Impact Assessment within the supply chain during the pandemic and the war in Ukraine. **Section 6(v) provides details of performance improvements.**

6. The delivery of the aims are captured and monitored through the following measures:

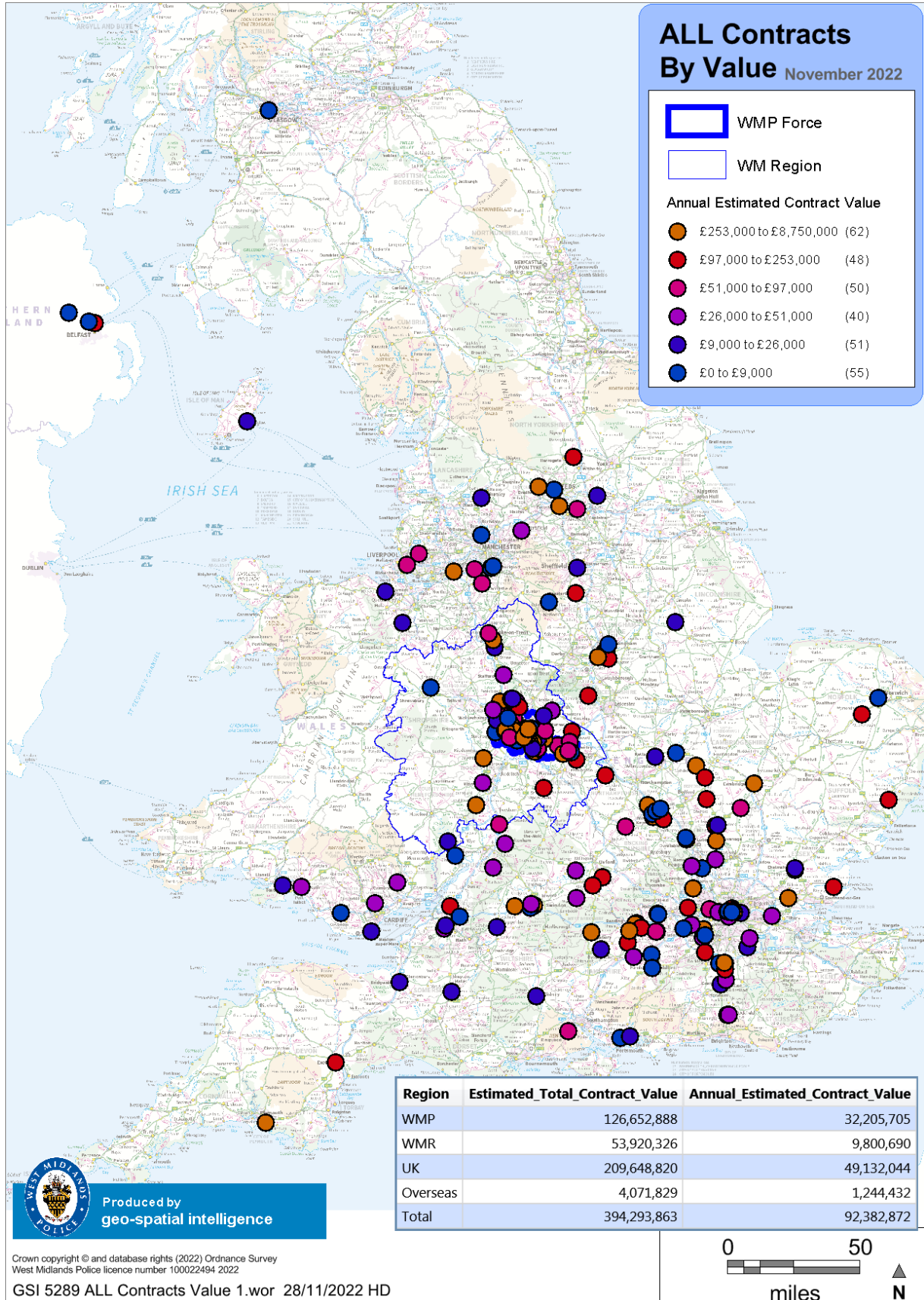
i) **The proportion of procurement spend and amount that is spent in the West Midlands.**

We seek to support businesses and the creation of jobs in the West Midlands region via our procurement, as far as possible. We must however work within the Public Contract Regulations (s18), which state *contracting authorities shall treat economic operators equally and without discrimination and shall act in a transparent and proportionate manner. The design of the procurement shall not be made with the intention of excluding it from the scope of this Part or of artificially narrowing competition. For that purpose, competition shall be considered to be artificially narrowed where the design of the procurement is made with the intention of unduly favouring or disadvantaging certain economic operators.*

The following diagram shows the location of suppliers currently servicing the force. Where WMP Force = the area that we as West Midlands Police are responsible for. WM Region = the region of the West Midlands, this covers our neighbouring forces of Staffordshire, West Mercia and Warwickshire to make up the midlands.

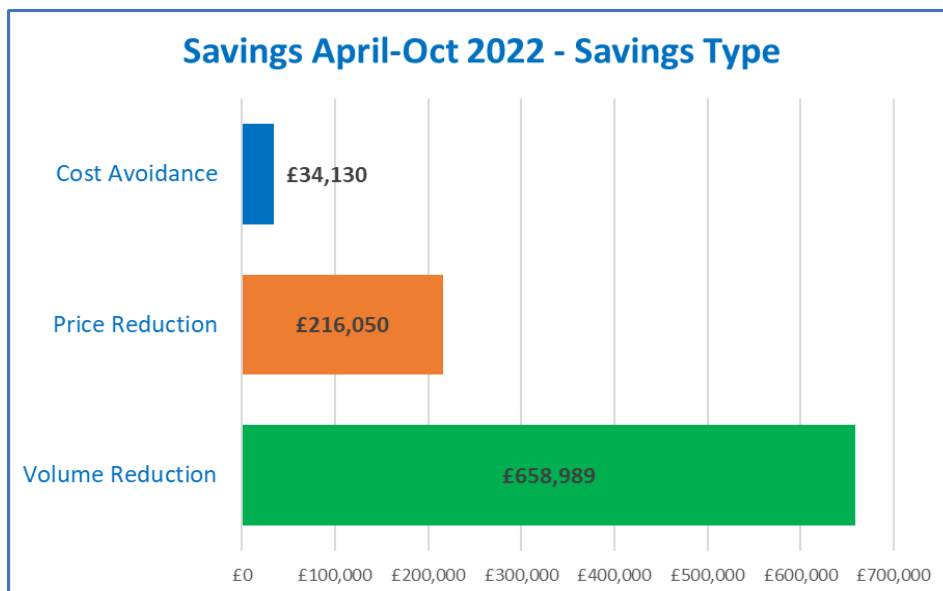
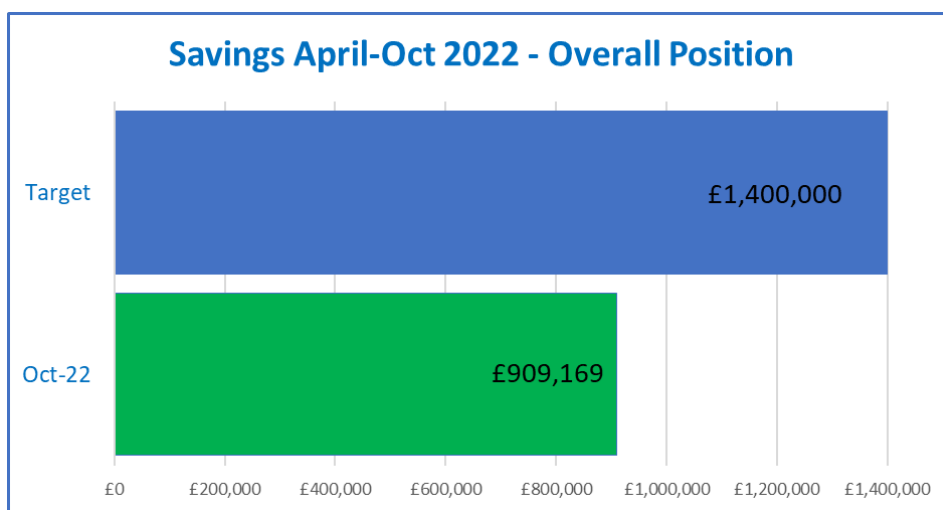
Total contract values are £394m covering multiple years, of which £180m, circa 46% is serviced by suppliers based in the West Midlands Region. Of the £180m, £126m relates to contractors based within the area that WMP serve. Annually this equates to £32m.

Contracted suppliers by location:



ii) The savings delivered through the Commercial and Procurement Department

For 2022/23 we set a procurement savings target of at least £1.4m, this was based on 6.1% (aligned to our percentage share of the main grant) of the £24m target set by the Home Office for Bluelight Commercial Ltd. The target saving is lower than previous years being mindful of the macro economic challenges, the pressures faced by our supply chain and the increased demand on policing. For the current financial year, we have already delivered £909k of savings up to the end of October.



The definitions used are as per the Home Office saving return:

Cost Avoidance = Arising from the cancellation of a contract, net of any liabilities inherent in such an action; the negotiation of contractual price increases that result in reduced or no price variations; or mitigating market indexation increases. Price Reduction = Arising from a margin or rate reduction through either a renegotiation of an existing contract or a new procurement activity for the same goods or services previously purchased.

Volume Reduction = Arising from purchasing less of a product or service whilst still able to meet the business needs. The reduction must not materially impact the core outcome or benefits derived.

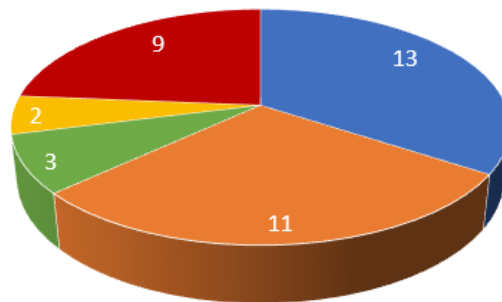
Specification Revision = Arising from a revision to the specification of the goods or service purchased which results in an overall reduction in costs.

iii) The number of apprenticeships created through the organisation’s suppliers

The total social value commitment to date, since 2020 by suppliers is £12.0m, this is across the range of TOM’s. As at the end of October 2022 suppliers had delivered £3.6m of social and local economic value. This value changes as new contracts are onboarded and old contracts are closed off. Apprenticeships are captured via the ‘Jobs’ Theme and data is gathered through the Social Value Portal and supplier surveys.

In the current financial year, the following 38 apprenticeships have been created by our supply chain, as a result of work awarded by WMP contracts.

Number of apprenticeships created since April 2022



Portfolio	Type of roles created
Fleet	Panel Beating ,Yard Worker,Mechanics, Workshop, Administration.
IT&D	Production, Administration, Accounts, Operations , Events Team, Contract Managers.
Property	Office, Engineer

Contracts where apprenticeships have been created

- FLEET Vehicle Body Shop, Repair, Recovery Scheme Operators,Livery,Hire and Supply
- IT&D Airwave, Digital Forensics,Case management,PACS,Alert system
- Facilities National Uniform Managed Service (NUMS)
- POD Insurance, Temporary Staff
- Property Air conditioning,Lifts,Fire alarms,PPM,Cost consultancy

iv) Confirmation that all suppliers who fall under the Living Wage Foundation’s criteria are paying their staff in accordance with the Living Wage.

As part of our ITT documentation, where appropriate we seek confirmation on whether bidders are National Living Wage employers. For third party contractors the exact definition is those who work regularly, for 2 or more hours a week, for 8 or more consecutive weeks a year. The Living Wage does not apply to contractors that supply the force with products e.g. stationery suppliers. In addition to this we ask the relevant suppliers to complete an annual compliance checks, which was completed in October 2022.

v) Assessing supplier and contract performance, post contract award

As at the end of October 2022 the force had 280 active contracts. 115 of the 280 contracts are been managed via our supplier performance management framework. The formal performance management approach is not applicable to 132 of the 280 contracts, this relates to the provision of either one off services/ good, or where the process would not add value. This leaves 33 to be onboarded by the end of the financial year.

Supplier performance is reported monthly to the Force Executive Team and quarterly to the Strategic Contracts Review Assurance Board. We are in the process of drafting our force key performance indicators for 2023/24 and this will include the performance of platinum and gold suppliers.

The performance portal Lean Linking is used to measure and monitor supplier performance via surveys/reviews undertaken by the business at an agreed frequency. The performance score support procurement award/extension decisions.

A score range of 1-5 is used to measure supplier performance, the target set is in line with the Supplier Relationship Management Framework. A target of 3 (Good) was set as a minimum based on 7 standard KPI’s plus specific KPI’s, if built into the contract. The ambition is to increase the target to 4 (Very Good) when all contracts are onboarded.

Force Supplier Performance April – October 2022



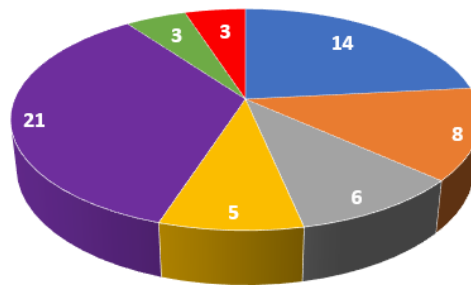
A number of improvements have been made in service delivery across a number of contracts on the back of performance review meetings. We are also working with client departments, where supplier performance is not on target.

vi) Local employment created and secured through procurement

Local employment created within the West Midlands as a result of working on a West Midlands Police awarded contract is captured via the ‘Jobs’ Theme, and data is gathered through the Social Value Portal and supplier surveys.

In the current financial year, the following 60 jobs have been created by our supply chain, as a result of work awarded by WMP contracts.

Local Employment Created Within West Midlands



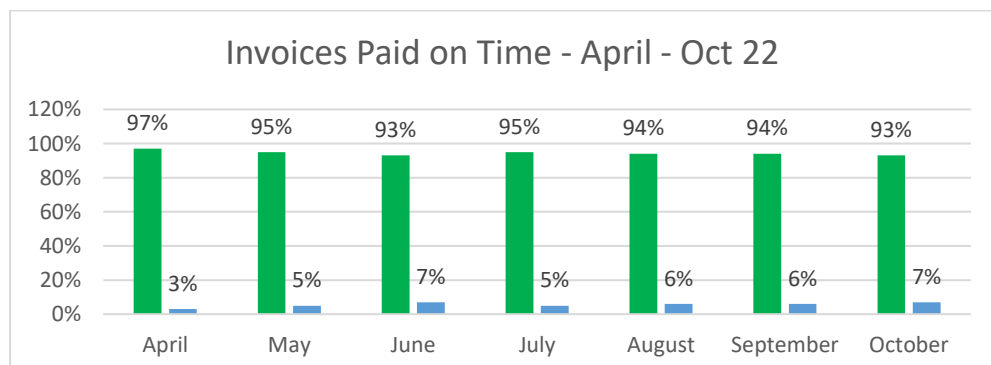
Portfolio	Types of roles Created
IT&D	Account Management Teams
Property Security & Operations	Local Engineer Trainers
Fleet	Sub-contract Fitters, Various roles

Contract's where local employment have been created

- IT&D Airwave Terminals, Digital (Forensic) Review Tool, Firewall - Firearms Ranges, Managed Print Services, Integrated Communications & Control System
- PROPERTY Legionella, Fire Alarms & Emergency Lighting, PPM/M&E at Lloyd House, Lifts Maintenance, Fire Extinguishers
- CRIME Healthcare in Custody Services, Hate Crime Out of Court Intervention Course, Forensic Services - for Drug Services
- FACILITIES Catering Services, National Uniform Managed Services
- FLEET Vehicle Recovery Operators, Body Shops, Drug Testing, Livery
- POD Temporary Agency Staff

vii) Prompt payment of supplier invoices within the time limits set out in central government's prompt payment policy.

Supplier invoices are paid by the Purchase to Pay team within the Shared Services function. In line with the governments prompt payment policy, we seek to pay 100% of all undisputed and valid invoices within 30 days. The force pays between 2500 – 3000 invoices per month and in the current year has, on average, paid 94.4% of invoices within 30 days.



7. To provide detail and comment on the following areas:-

7a. An update on the national regulations around public procurement.

i. The Procurement Bill

On 12 May 2022 the Procurement Bill 2022 (the “Bill”) went to the House of Lords to commence its passage through the legislative process. It is anticipated that the eventual Public Procurement Act will be enacted in or around March 2023. Until then, the Public Contracts Regulations 2015 remain in force.

The Cabinet Office’s Procurement Bill Factsheet highlights the that government aim to use the procurement reforms to:

- Creating a simpler and more flexible, commercial system that better meets our country’s needs while remaining compliant with our international obligations.
- Opening up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- Embedding transparency throughout the commercial lifecycle so that the spending of taxpayers’ money can be properly scrutinised.
- Value for money will still be a high priority although the change in focus from obtaining the “most economically advantageous tender” (“MEAT”) to the “most advantageous tender” (“MAT”) is aimed to ensure that contracting authorities are able to consider other factors as well as price including social and environmental issues.

The Government has issued a planning and preparation checklist. We will build this into our departmental delivery plan. We are already working with colleagues in Legal Services and Bluelight Commercial Ltd to understand and prepare for any changes.

The improvements made in the last 12 months has put the force is a good place in preparation for the expected changes. These improvements include:

- A restructure of the team to increase the efficiency and effectiveness;
- Upskilling of the team on modern slavery legislation, contract management and social value;
- A review of tender documentation, in order to simplify and reflect changes in policies, guidance or practice;
- Training on core procurement systems, including the Social Value Portal and our contract management database LeanLinking;
- The launch of a contracts and procurement hub, to provide clarity around processes and governance arrangements; and
- Roll out of training across the force on the supplier relationship management framework and roles and responsibilities around performance management.

ii. **Cabinet Office Procurement Policy Notes - The following Notes were published by the Cabinet Office in 2022.**

PPN 01/22: Contracts with suppliers from Russia and Belarus

This PPN applied to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies. Other public sector contracting authorities were asked to consider applying the approach set out in this PPN. The PPN asked organisations to:

- Review their contract portfolio and identify any contracts where the prime contractor is a Russian or Belarusian supplier.
- Where a Russian or Belarusian prime contractor is identified, they should consider terminating that contract in accordance with the terms of the contract i.e. following a legally compliant process.
- Only proceed to terminate a contract if an alternative supplier can be sourced in line with value for money, affordability and with minimal disruption to public services.

The force reviewed all its contracts and concluded that we had no direct contracts with Russian or Belarusian suppliers. We also sent out a survey to all of our suppliers to determine whether any indirect contract existed relating to WMP contracts. Furthermore, we sought to understand if and how our supply chain could be disrupted due to war in Ukraine and put measures in place to mitigate the associated risks.

Procurement Policy Note 02/22 – The Consultancy Playbook v1.1

This is a good practice guide for central government consultancy commissions and an update to the May 2021 release.

7b. How the work of Bluelight Commercial is impacting on the procurement of West Midlands Police.

When determining our route to market options, we consider the pipeline activity of Bluelight Commercials, along with all other options available. In 2022/23, we utilised BLC's/Forensic Capability networks Next Generation Procurement of Forensic Services exercise as this enabled a complex exercise to achieve economies of scale and ensuring market place stability was maintained.

There are a number of working groups which we have now become members of to assist with developing commercial strategies for various areas moving forward, for example, Insurance Services, and the next generation of the National Uniform Service.

Bluelight Commercial Ltd have undertaken a procurement exercise to replace the National Bluelight database and tendering solution. The new BLPD2 (database) system went live on 14th November 2022. All contract details have been migrated and

training is due to be delivered to the Contracts & Procurement department on 7th December.

The new eTendering system element is due to go live on 1st April 2023. Until the rollout BLC have extended the contract with EU Supply.

7c. The Green Agenda and procurement.

Our environmental, ethical and sustainable procurement objectives are detailed in both the Procurement Strategy and now the Forces' Environmental Strategy. Work undertaken so far includes the following, and we will provide further details in future updates :

- i. A summary document has been drafted and agreed with the Environment and Sustainability Manager for circulation of our objectives to all current contractors.
- ii. Work is currently ongoing with the Environment and Sustainability Manager and Social Value Portal to identify and add additional quality weightings for specific environmental themes and outcomes which meet the objectives of both the Procurement and Environmental Strategies.
- iii. We have identified the key contracts where the greatest benefits can be achieved to ensure the inclusion of the Environment and Sustainability Manager as a stakeholder.
- iv. We are currently working with the Environment and Sustainability Manager to agree an environmental heat map/checklist for consideration in future tender options appraisals with stakeholders.
- v. We will also be looking at specific contracts to consider carbon usage, products currently purchased under the contract, and whether there is an option to buy alternative environmentally friendly products. Taking into consideration the associated costs and benefits.

8. Financial Implications **None**

9. Legal Implications **None**

10. Equality implications **None**

Appendix A

Joint Procurement Strategy - West Midlands Police and West Midlands Police & Crime Commissioner 2022 - 2025



Joint procurement
strategy.pdf