

North Tyneside Council

Report to Cabinet

Date: 9 July 2012

ITEM 7(h)

Title: Implementation of Quick Quotes

Portfolio(s): Finance and Resources

Cabinet Member(s): Councillor Judith Wallace

Report from Directorate: Finance and Resources

Report Author: Andrew Lowe (Principal Procurement & Commissioning Officer) (Tel: 6435651)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to inform Cabinet and seek approval to implement "Quick Quotes" as a way of supporting local suppliers, by ensuring that a minimum number of local suppliers (where they are available) are randomly selected each time the Council seeks a quotation for the procurement of goods and services up to a value of £50,000.

1.2 Recommendation(s):

It is recommended that Cabinet

(1) Notes and endorses the contents of the report.

1.3 Forward plan:

This report appears on the Forward Plan for the period 1 July to 31 October 2012.

1.4 Council plan and policy framework

The report relates to the Council Strategic Plan for 2012/15.

1.5 Information:

1.5.1 The Council is required by its Contract Standing Orders to seek multiple quotations when procuring goods and services between £10,000 and £50,000. A minimum of five quotations must be invited, and a minimum of three written quotation received. Above £50,000 a full tendering exercise is undertaken, with the opportunity being advertised on the North East Procurement Organisation (NEPO) electronic portal.

1.5.2 The NEPO e-portal has been used by the Council to issue and receive electronic quotations and tenders for a number of years. This is a fully secure electronic system

which provides efficiencies for the Council, as well as being easy to access and use by suppliers. A full audit trail is retained of all procurement activity, to demonstrate probity, fairness and compliance with the Council's Contract Standing Orders.

- 1.5.3 NEPO have recently developed an enhancement to the e-portal, known as "Quick Quotes". Most local authorities in the North East are introducing Quick Quotes as part of their commitment to support local suppliers (which includes small business, voluntary/community groups and charities) who want to do business with their local council. The system was demonstrated to elected members at the NEPO Joint Committee held on 3 February 2012.
- 1.5.4 There is a commitment to support local suppliers, however the Council has to be mindful that although procurements valued at below the EU procurement thresholds (currently set as – goods and services £173,934 works £4,348,350) are not covered by the Public Contracts Regulations 2006, the EU Treaty principles of transparency, equal treatment and proportionality do apply, and the Council cannot give preference to local suppliers when making an award. The purpose behind these proposals is to address the frequently aired concerns from the business community that the procurement machinery of councils disadvantages smaller businesses in the local community and is more suited to the resources of larger national and international operators.
- 1.5.5 The introduction of Quick Quotes allows for the random selection of local and non-local suppliers from those suppliers already registered within the appropriate category on the NEPO e-portal. "Local" means those suppliers based within the borough, using their postcode to determine the location of the supplier. There are over 700 suppliers located in North Tyneside who are already registered on the NEPO e-portal.
- 1.5.6 Local suppliers will benefit by being given an opportunity to increase business in the local area, for the lower value contracts that are not openly advertised. Random selection gives fair and equal access to opportunities. Automatic e-mails will advise suppliers when they have been selected to quote.
- 1.5.7 Local launch events will be held, with the support of NEPO, to raise awareness of the introduction of Quick Quotes. The Quick Quote system is supported by the NEPO Stakeholder Board, with representatives from Chamber of Commerce, Federation of Small Businesses, and the NE Social Enterprise Partnership.
- 1.5.8 It is recommended that the Quick Quotes system is introduced initially for the purchase of goods between £10,000 and £50,000; and where appropriate below £10,000. (Contract Standing Orders currently provide that for spend below £10,000 one written quote is to be obtained, therefore Officers would have the opportunity to use the Quick Quotes system for spend under £10,000 where they considered this appropriate.) Once the system is established for the purchase of goods, the intention would then be to extend the scope to include the purchase of services and works below £50,000.
- 1.5.9 It is recommended that the Quick Quotes system is initially set to randomly select two local suppliers (where they are available), and two non-local suppliers from the list of suppliers already registered within the appropriate category on the NEPO e-portal. Up to a further five suppliers can then be selected by the service area. This will ensure that any existing suppliers are given an opportunity to quote. This approach is also in line with neighbouring authorities' use of the Quick Quotes system. The operation of the system would however be subject to review and adjustment by the Principal Procurement and Commissioning Officer on a regular basis to ensure the system is operating effectively.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet is requested to note and endorse the implementation of Quick Quotes, for expenditure below the tender threshold of £50,000.

Option 2

Cabinet may not wish to implement Quick Quotes for North Tyneside.

1.7 Reasons for recommended option:

Option 1 is recommended as this will support local suppliers, by ensuring that a minimum number of local suppliers (where they are available) are randomly selected each time the Council seeks a quotation for the procurement of goods or services up to a value of £50,000

1.8 Appendices:

There are no appendices to this report.

1.9 Contact officers:

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1.10 Background information:

Presentation on Quick Quotes to the NEPO Joint Committee on 3 February 2012.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial or other resource implications arising directly from this report. There is no additional charge for Quick Quotes, which is provide through the NEPO e-portal, and paid for from existing NEPO fees.

2.2 Legal

There are no legal implications directly arising from this report. The use of Quick Quotes is compliant with the Council's Contract Standing Orders for procuring goods and services below £50,000.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has taken place with the Senior Leadership Team. In addition the Cabinet Member for Finance (the Procurement lead) and the Strategic Director of Finance and Resources have been consulted on this report.

2.3.2 External Consultation

Local suppliers and the business community within North Tyneside will be consulted as part of the implementation process.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no equality and diversity implications directly arising from this report.

2.6 Risk management

Following a risk assessment there are currently no risks attached to this report. If any risks do arise in the future they will be discussed with the Risk management Team and added to the relevant Council's risk register.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are no environmental and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager,
Policy & Partnerships

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