



Westminster Scrutiny Commission

Date:	5th July 2011
Classification:	For General Release Appendix B – Exempt from public disclosure
Title:	Procurement Protocol for Policy and Scrutiny Committees and Contract Awards
Report of:	Group Procurement Manager and the Head of Legal and Democratic Services
Wards Involved:	N/A
Policy Context:	Scrutiny
Financial Summary:	N/A
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1. Executive Summary

- 1.1 Following the WSC meeting on 9 November 2010 at which the Commission indicated that they wished the draft protocol to be amended so that if requested the relevant Policy and Scrutiny Committee could become involved at an earlier stage. The Commission also asked that the protocol on contract monitoring be included and that these be submitted to them and that the Chairman of the Audit and Performance Committee be consulted on the draft.
- 1.2 A revised protocol, updated to reflect the changes requested, is attached for Members views. A copy of this report has, as previously requested, been sent to the Chairman of the Audit and Performance Committee for his comments. These are included in paragraph 3.4 below.
- 1.3 It is also suggested that a brief presentation be made to a future WSC meeting outlining the Council's procurement process.

2. Recommendations

- 2.1 That appendix B to the report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.2 That the protocol, attached at Appendix A, be approved.
- 2.3 That the WSC indicate if they wish to receive the presentation outlined in paragraph 3.6 below.

3. Background

- 3.1 The report sets out the revised protocol as previously requested. It includes, in particular, provision for the relevant Policy and Scrutiny Committee to receive each year a list of those contracts which are due to be awarded during the following 12 month period.
- 3.2 The revised protocol includes provision for the P&S Committee to indicate at an early stage the level of involvement it wishes to have. Whilst the award timetable is generally very prescribed small adjustments can be made to include the P&S Committee. This is particularly the case when details of the involvement required is known at an early stage which will be the case given the proposal to provide details of the annual programme of awards to each P&S Committee.
- 3.3 In respect of the performance monitoring provisions are included for the relevant Policy and Scrutiny Committee to require this to be reported in respect of any committee. However, if the performance of any contract falls below the level set out in paragraph 7 of the proposed protocol then this will automatically lead to a report to the next possible meeting of the relevant P&S Committee.
- 3.4 The Chairman of the Audit and Performance Committee was sent a copy of this report and the proposed protocol. These comments are as follows:

“The Audit and Performance Committee monitors the contract procurement process annually. It has been kept abreast with changes in the Council’s contract letting and monitoring procedures. It has expressed concern that the procurement process for the parking enforcement contract led to legal action against the Council. Now the legal action has concluded, it is to conduct a review comparing the procurement process for the parking enforcement with the waste management contract. I welcome the proposal for P&S committees to indicate the level of involvement that they would like with letting each contract”.
- 3.5 At its meeting on 9 November 2010 the WSC asked for details of when the award of contracts over £1.5m became the responsibility of the Cabinet

Member for Finance and Resources (now the Cabinet Member for Customer Services and Transformation. A briefing note setting out this information was circulated to WSC members on 20 May 2011.

- 3.6 Members will see at recommendation 2.2 that it is suggested that they receive a brief presentation at a future meeting. If this is not considered relevant to the WSC a similar offer will be made to the Finance and Transformation P&S Committee and the Audit and Performance Committee.
- 3.7 A list (Appendix B) setting out the contracts over £1.5m due for re-letting over the next 5 year period has been circulated to Members for information. In accordance with the proposed protocol this list will be adjusted so that each P&S Committee receives a list of contracts due for renewal for the following 36 month period each year. See paragraph 1 of the proposed protocol at Appendix A.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact Mick Steward: 7641 3134
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BACKGROUND PAPERS

- Minutes of WSC meeting

PROTOCOL FOR THE INVOLVEMENT OF POLICY AND SCRUTINY COMMITTEES IN CONTRACT AWARDS

1. At the commencement of every municipal year each Policy and Scrutiny Committee shall receive from the Group Procurement Manager a list setting out the contracts, over the value of £1.5m which are due to expire over the next 36 month period.
2. From the list referred to in 1 above each Policy and Scrutiny Committee shall choose those contracts, if any, it wishes to receive further details on so that these can be added to its work programme. The intention is to allow P&S Committees to select at an early stage those contracts, which will be the subject of a re-let strategy at an early stage.
3. In the event of a Policy and Scrutiny Committee wishing to be involved in the procurement process the following will apply (refer to Annex A):
 - Review of the specification and the contract award criteria – this will give the Policy and Scrutiny Members an opportunity to review and shape the service before the final decision on the general levels of service is finally approved by the service Cabinet Member, or under delegated powers;
 - Members to decide whether they wish to be involved in the actual procurement process;
 - Involvement of a Members task group;
 - Opportunity for a task group or scrutiny panel to scrutinise the scoring by the evaluation panel and to ask detailed questions on scoring and the application of the criteria of and by officers;
 - Scrutiny by the Policy and Scrutiny Committee of the award of contract report prior to the award of contract being agreed by the Cabinet Member.
4. The views of the Policy and Scrutiny Committee shall be included in the report to the Cabinet Member at the relevant stage, either when the service levels are agreed or prior to the contract award stage.
5. In respect of areas which have been identified as major contracts and therefore awarded jointly with the Cabinet Member for Customer Services and Transformation and the relevant service Cabinet Member the protocol as set out above shall also apply. The list referred to in (1) above shall indicate those contracts regarded as major.
6. The process flow diagram attached shows the process should the contract be chosen for scrutiny by a Policy and Scrutiny Committee.

7. The performance of contractors is monitored by Officers who use a scoring method to evaluate performance. In the event that the score, for whatever reason, falling below satisfactory, then the matter shall be reported by the relevant SLT Member to the relevant P&S Committee, such report to include a summary of the proposals to bring the service to an acceptable level.

Contracts

PROCESS FLOW DIAGRAM

