



**Lambeth Procurement Team
Annual Report 2018/19**

Procurement in Lambeth

Lambeth Procurement ensures the Council delivers its purchasing activities in accordance with the Public Contract Regulations 2015 which, together with the case law, sets the framework for UK public procurement.

Lambeth Procurement Process

Lambeth Contract Standing Orders is the key governance document for all staff to comply with when undertaking procurement projects.

Depending on what is being procured and the value of the procurement, Lambeth requires:

Up to £5,000

- 1 Written Quote (preferably local supplier)

£5,000 up to £100,000

- 3 Written Quotes, at least one should be from a local supplier

Greater than £100,000

- formal Tendering
- requires Cabinet Member consultation
- all opportunities are advertised on [Contracts Finder](#) and the Council's Tendering [portal EU Supply](#)
- above certain thresholds (£181,302 for goods and services; £4,551,413 for works, excluding Light Touch) European procurement rules around timescales and documentation apply
- all key decisions, such as those **above £500,000** must appear on the Council's [Forward Plan](#)

Procurement Boards

Procurement Board for all key decisions and projects above £500,000

Category Boards for projects valued between £100,000 and £500,000

The Boards provide

- Cross Council advice and support to develop successful procurement strategies.
- Assurance to the Council regarding high value procurement.

Procurement Intranet and Internet

The screenshot shows the 'Lamnet' intranet interface. The main content area is titled 'Procurement (Communication)' and features a 'Key thresholds' section with a flowchart. The flowchart starts with 'Under £100,000' in a blue box, leading to 'Above £100,000 - mandatory Competitive Tender.' Below this, there are four blue boxes: 'Below EU thresholds', 'Above EU thresholds', 'Extensions and Variations', and 'Waivers and Exemptions'. A final blue box at the bottom is labeled 'Concession Contracts'. To the right of the flowchart, there is a list of links under the heading 'In this section:', including 'Procurement Requirement for the Contracts Register', 'Responsible Procurement', 'Category Management', 'Quotations Page', 'Below EU thresholds', 'Above EU thresholds', 'Extensions and Variations', 'Waivers and Exemptions', 'GSAs', 'Training and Lincrome Surgeries', 'Oracle Documentation', 'Procurement Guidance', 'About Procurement', 'Procurement forms and templates', 'eProcurement', 'Procurement policy', 'Energy Management Unit', and 'Contract Management'. At the bottom of the page, there is a 'Social links' section with links to 'EU-supply', 'Contract Register', 'Contracts Finder', '3-year procurement plan', 'Public Contract Regulations 2015', 'Lambeth Constitution', 'Lambeth Contract Standing Orders', and 'Procurement Report 2017-18'. A red asterisk note states: '* Waivers and Exemptions is not a standard process and should be discouraged and avoided whenever possible. Please discuss with the Category Manager.' Below this, it says: 'For any procurement with a total value above £100k, it is essential that you source professional help from the Procurement Team. The [Category Management page](#) will tell you who your contacts are.'

We regularly review our guidance and documents to improve the experience of users. This has been provided through clearer, less bureaucratic process but with the continuous focus on risk management, transparency and delivering Value for Money.

Our [webpage](#) is for the market to look at the commercial opportunities in Lambeth.

Our [Intranet](#) site focuses on the needs of the organisation, providing templates & guidance on

- Tendering
- Concessions contracts
- Evaluation of tenders
- Abnormally low tenders
- Extensions and Variations
- Oracle documentation

Council contract opportunities

Lambeth publishes online the current contracts register and future contracting opportunities. A link to the website page can be found [here](#). This includes

Contracts Register – An external version of the secure database which is managed by the procurement team. Its primary function is to be organisational virtual deed room where all contracts are stored and managed.

Three-year procurement plan – Forthcoming procurement opportunities

Contracts Finder – Published tenders

Transparency in Procurement

As part of the council's transparency in Procurement obligations the following information is published.

[Spend above £500](#)

Responsible Procurement

Responsible Procurement is the process where we not only fulfil our needs for goods, services and works in a way that achieves benefit to us in terms of value for money on a whole life basis but also to society, the economy and the environment.

Responsible Procurement refers to the approach Lambeth will take to maximise the additional benefits that can be created through the delivery of goods and services and completion of works above and beyond those directly related to the delivery of those arrangements. It particularly relates to The Public Services (Social Value) Act 2012.

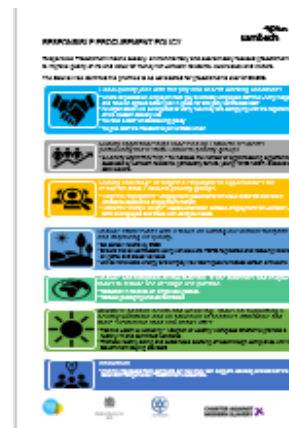
The Public Services (Social Value) Act 2012 requires procurement officers and commissioners to consider how the proposed procurement exercise may improve social, environmental and economic wellbeing of the relevant area.

Responsible Procurement Policy

The policy sets out the general principles that the Council will follow for all procurement and commissioning activities in excess of £100,000. This will ensure that that these activities focus on the delivery of value for money, meet the needs of residents and achieve additional economic, social and environmental benefits for its residence.

The council has identified 7 priorities to be considered as part of all procurement projects.

[Click on documents to view](#)





Living Wage

The Living Wage (or “LW”) is an independent wage calculation which rewards an employee for a hard day’s work with a fair day’s pay; the UK Living Wage rate has been set at £9.00 and the London Living Wage (“LLW”) is currently set at £10.55 per hour. In line with Lambeth’s focus on fairness and ambition, the Council is committed to paying the LLW to our staff and to encouraging our contractors to pay their staff the relevant LW for their location or the location in which their staff work on Lambeth contracts.

The requirement to incorporate the Living Wage (London Living Wage within the Capital) was introduced by the Council in 2015.

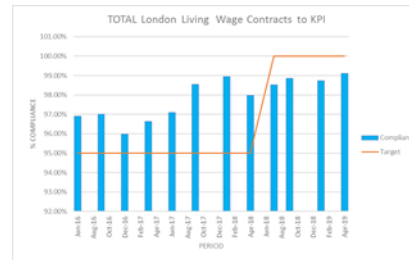
Modern Slavery

The Council recognises its responsibility to take a robust approach to modern slavery and human trafficking as an employer, commissioner and contractor of other bodies, and acknowledges its duty to notify the Secretary of State of suspected victims of slavery or human trafficking as required by section 52 of the **Modern Slavery Act 2015**. The Council, as part of the public sector, is committed to improving its practices to identify and combat crime under the Act.

Lambeth Council is committed to preventing and taking action against identified slavery and human trafficking in its corporate activities, its supply chains and the wider community, and ensuring these are free from slavery and human trafficking.

We have made a commitment to the **Co-Operative Councils Charter against Modern Slavery**. A link to the charter can be found [here](#). We are achieving this through

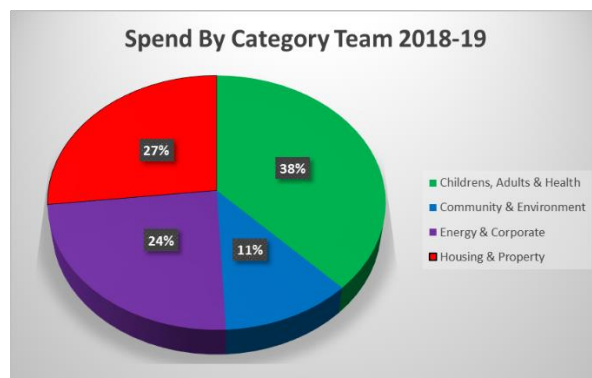
- As part of the process **ALL** Procurement staff have undertaken and passed the Chartered Institute of Procurement and Supply (CIPS) course on Ethical Procurement and Supply.
- A requirement that all contractors/suppliers comply with the Modern Slavery Act has been incorporated into Standard Terms and conditions of contract together with the requirement for them to have a whistle blowing policy.
- A declaration by contractors/suppliers to comply with requirements is incorporated into the Standard Selection Questionnaire (SSQ), required with the return of all tenders and the Self Certification Form when suppliers are created on Oracle.
- The guidance on the available challenges for suspected abnormally low tenders has been strengthened to specifically review the possibility of modern slavery contributing to the tender submission value.
- Contract Annual Performance Reviews have had a section added to require suppliers to declare that a modern slavery statement has been completed (if applicable) and that a whistle blowing policy is in place.



A target was set that at 100% of suppliers providing contracts to Lambeth applicable to the Living Wage should pay the Living Wage.

Category Management

To ensure effective delivery of the Council's professional procurement service, procurement professionals within the Council are aggregated into a single team to support a category management approach. The approach ensures clarity on specific areas of expertise and ease of access to relevant support, meeting the changing demands of the organisation. The Categories are:



Spend by service type by Category 2018-19

Row Labels	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	Total £m
Arts & Leisure Services	0.11	3.32			3.43
Building Construction Material	0.04			8.76	8.80
Catering	0.20	-0.03	0.12	0.01	0.30
Cemetery & Crematorium		0.88			0.88
Cleaning & Janitorial			10.61		10.61
Clothing			0.02		0.02
Consultancy	0.24		16.41		16.66
Domestic Goods			0.02		0.02
Education	4.61				4.61
Environmental Services		38.20			38.20
Facilities & Management	0.53		3.46	5.80	9.79
Financial Services	0.15		13.28		13.43
Furniture & Soft Furnishings	0.03		17.61		17.63
Health & Safety			0.29		0.29
Healthcare	29.77				29.77
Highway Equipment & Materials		2.97			2.97
Horticultural		1.67			1.67
Housing Management	0.01			44.04	44.06
Human Resources	0.11		31.65	0.00	31.77
Information Communication Tech	0.25		12.02		12.27
Legal Services	0.02		7.94		7.96
Mail Services			0.15		0.15
Public Transport	18.47		0.12		18.59
Social Community Care - Adult	95.75	0.01			95.76
Social Community Care Supplies	3.96				3.96
Social Community Care-Children	37.42				37.42
Sports&Playground Equip&Maint	0.04	0.44			0.47
Stationery			0.07		0.07
Street & Traffic Management		0.70			0.70
Utilities	0.01		6.60		6.61
Vehicle Management			1.62		1.62
Works - Construction, R & M	0.01	9.83		77.25	87.09
TOTAL SPEND £m	191.72	57.99	121.99	135.86	507.57

Housing and Property

Top 5 spend by supplier (£m)

Supplier	Category Spend	Total
Mears Ltd	Building Construction Materials	1.27
	Works - Construction, R & M.Buildings.Construction	6.40
	Works - Construction, R & M.Buildings.Demolition & Asbestos Removal	0.26
	Works - Construction, R & M.Buildings.Repair & Maintenance	17.09
		25.02
T Brown Group Ltd	Building Construction Material.Heating & Air Conditioning	2.91
	Works - Construction, R & M.Buildings.Repair & Maintenance	4.60
		7.50
Midos Estates Ltd	Housing Management.Letting / Estate Agents.Bed & Breakfast	6.11
		6.11
Engie Regeneration Ltd	Facilities & Management .Security	0.28
	Works - Construction, R & M.Architect	0.02
	Works - Construction, R & M.Buildings.Construction	4.96
	Works - Construction, R & M.Buildings.Repair & Maintenance	0.74
		5.99
Breyer Group Plc	Works - Construction, R & M.Architect	0.09
	Works - Construction, R & M.Buildings.Construction	5.21
	Works - Construction, R & M.Buildings.Repair & Maintenance	0.57
		5.87

The category team supports housing and property related procurement activity across the borough. This will involve construction and repairs and maintenance of corporate buildings and the council housing stock.

Some key projects delivered during the year were

- **1 Larkhall Park** – Provision of advise on route to market and land sale regulations the council achieved a land value of £13.2m from the developer.
- **Garage Repairs** – A reverse auction managed with the help of “Easibuy” yielded a saving of 13% on the tendered rates.
- **3 Multidisciplinary call off contract** – The award through competition of the South East Consortium framework covering technical advice and services for home improvements and other major capital projects yielded an average saving of 10% on the framework rates.
- **Estates Professional Services** – Contract to support the Property and Estates team to provide services including valuations, acquisitions and disposals. The contract will also support the wider borough to achieve its objectives in regeneration. The competition generated 10% savings against the framework rates.
- **Homes for Lambeth** – We have as part of the remit to build 1,000 affordable homes in the borough concluded a number of projects including Knights Walk phase 1 which provided 16 new family homes with even more scheduled as part of the South Lambeth development.



Home for Lambeth is wholly owned by Lambeth Council which is committed to building better homes for current residents and more affordable homes for those waiting on the council's housing lists.

Children, Adults and Health

Top 5 spend by supplier (£m)

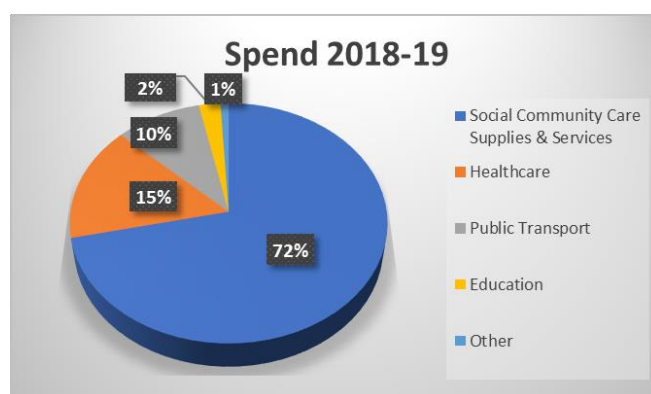
Supplier	Category Spend		Total
Transport Trading Ltd	Public Transport.Concessionary Fares & Subsidized Travel	12.34	12.34
Guys & St Thomas NHS Foundation Trust	Healthcare.Public Health	6.47	
	Social Community Care Supplies.Supplies	0.09	6.56
South London & Maudsley (nhs) Trust	Healthcare.Public Health	3.54	
	Social Community Care - Adult Care	0.07	
	Social Community Care Supplies.Supplies	0.16	
	Social Community Care-Childrens Care	0.13	
	Social Community Care-Children.Youth Services	0.65	4.56
Windmill Care Centre	Social Community Care - Adult.Nursing & Residential Care Homes	3.74	3.74
Limetree Healthcare Ltd	Social Community Care - Adult.Nursing & Residential Care Homes	3.64	3.64

In addition, spend of £15.48m was recorded against the Section 75 Agreement through NHS Lambeth CCG.

This category focuses on services provided to the borough's young and elderly residents.

Key achievements through the year were

- ❖ Prevention of male offending programme – £50,000 saving on £400,000 budget
- ❖ Pharmacy Sexual Health contract – 3 borough arrangement with Lewisham and Southwark
- ❖ 6 Extra Care facilities for Older People procured
- ❖ GDPR variations to contract – 200 existing contracts varied to include GDPR clauses



Working with Lambeth Clinical Commissioning Group (the CCG)

In addition to internal procurement activity we continue to work in partnership with and provide advice to the Lambeth Clinical Commissioning Group.

We have worked closely with the CCG in 2015 initially reviewed their procurement governance framework and produced an updated procurement policy that helps the organisation to enhance their procurement practice.

We currently operate through a Service Level Agreement to provide comprehensive procurement services for the them. Achievements in year:

- Produced a Procurement Policy to support the “Lambeth Living Well Alliance” (CCG, Council, the South London and Maudsley NHS Trust) with an annual value of £63 million over 7 (plus 3) years.
- New tender for Diagnostic (Community Ultrasound an ECG)
- School Improvement Advisor’s Framework let
- SEND Parent Participation contract let.

NHS
Lambeth Clinical
Commissioning
Group

Community and Environment

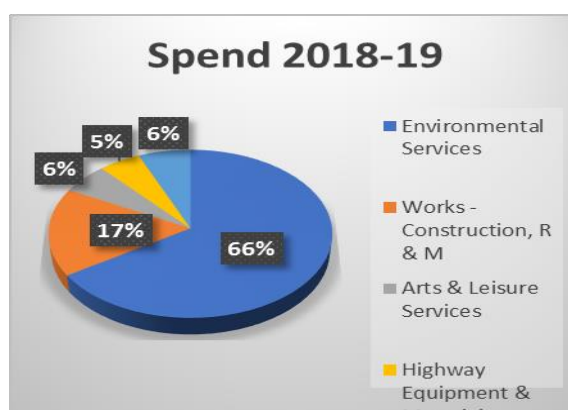
Top 5 spend by supplier (£m)

Supplier	Category Spend	Total
Veolia ES (UK) Ltd	Environmental Services.Street Cleansing	8.19
	Environmental Services.Waste Management.Waste Collection	7.94
	Environmental Services.Waste Management.Waste Collection for Recycling	1.83
		17.96
Western Riverside Waste Authority	Environmental Services.Waste Management.Waste Disposal	14.33
CVU	Highway Equipment & Materials	0.13
	Works - Construction, R & M.Roads.Construction	3.38
	Works - Construction, R & M.Roads.Repair & Maintenance	1.63
		5.14
Apcoa Parking Services (Uk) Ltd	Environmental Services.Waste Management.Abandoned Vehicles	4.00
Lambeth Lighting Services	Highway Equipment & Materials.Street Lighting	2.80
	Works - Construction, R & M.Roads.Guard Rails & Signs	0.03
		2.83

This category focuses on Resident services delivered by the council. These include leisure, culture & events, providing waste and recycling services, delivering vital infrastructure and transport, providing CCTV, parks and street cleansing, as well parking services and lighting.

Key achievements through the year were

- The consolidation of the **CCTV** contract covering the hardware, installation and maintenance of the equipment with a single provider generated savings of £470k over 4 years.
- **Event Lambeth** – Developed stakeholder relationships through engagement to effectively deliver event planning for procurement activities. The tender for Security and Crowd Management has led the way in this. (An example of service delivery in this area is the security for the Lambeth Country Show).



Working with Lewisham

Lambeth Council delivers the procurement activity for Lewisham Council, advising and helping to run procurement activities, whilst ensuring best value for money for the Borough of Lewisham. During the year we published 52 tenders on their behalf.

We have worked with Lewisham Council since 2016, building a very successful and ongoing collaborative partnership. We have helped Lewisham Council to shape and deliver some of their goals and objectives, whilst robustly enhancing their procurement practice.

Key tender achievements

- ✚ Tipping, Transportation & treatment of organic waste – saving of £72k per annum over 3 years achieved
- ✚ Watergate & Greenvale SEND School expansion project – pre tender market engagement and re-working of documents secured award of a previously abandoned project that had initially come in over budget.
- ✚ DBS “eBulk” Service – saving of 20% achieved against cost estimate.



Corporate Services and Energy

Top 5 spend by supplier (£m)

Supplier	Category Spend		Total
Matrix SCM Ltd	Human Resources.Temporary & Agency Staff	29.35	29.35
Willmott Dixon Construction Ltd	Furniture & Soft Furnishings.Commercial Furniture	17.47	17.47
Regenter Myatts Field North Ltd	Consultancy.Business	10.29	10.29
Capita Business Services Ltd	Financial Services.Outsourced Service	5.71	
	Information Communication Tech.Services.Maintenance & Support	0.18	5.89
Morrison Facilities Services Ltd	Cleaning & Janitorial.Cleaning Service	5.28	5.28

The category supports Council business units in the delivery of cross council procurement activities. These include contracts that ensure our buildings operate effectively (provision of utilities, security, cleaning, maintenance and repair), and Council contracts relating to ICT, Human Resources, Communications as well specialised services including the provision of barristers/solicitors, consultancy, and auditors.

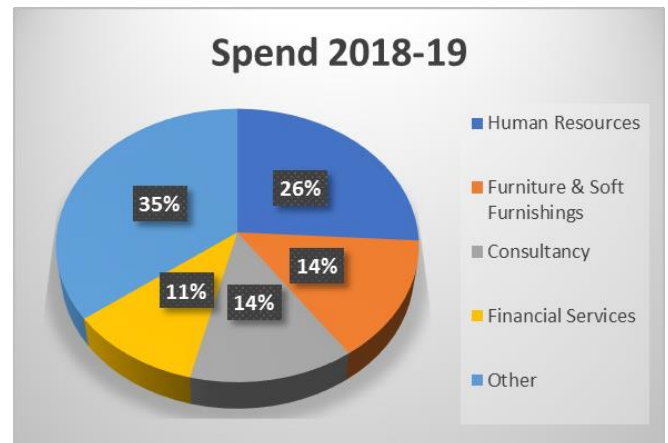
The category also manages routine corporate contracts including stationery, fleet vehicles and energy supply contracts.

The category operates in a highly 'commoditised', environment allowing the Council to meet some of its requirements shared across the public sector – facilitating collaboration and the use of readily available framework agreements as well as generating savings

A number of key contracts were awarded in the last 12 months, including:

- Online appointment and events booking system
- Translation Services
- Microsoft licensing
- Lambeth communications framework
- Oracle – Support, maintenance, archiving and licencing.
- Insurance – Engineering inspections, Personal Accident and School Journey
- Corporate Water contract
- Internal Audit.

We are a supporter of the apprenticeship programme, having provided an opportunity for an apprentice to gain first-hand experience within the procurement environment. We are now supporting our second apprentice. They are fully supported in working towards gaining a professional qualification via CIPS (Chartered Institute of Procurement and Supply) Level 4, enabling them to further their career in procurement.



Carbon Reduction Commitment

Energy and Carbon Reduction Commitment



Lambeth's energy requirements are procured together with the rest of the public sector portfolio managed by our framework provider. This collaboration enables the energy to be purchased on discounted traded prices direct from the wholesale energy market. Lambeth could not access this alone.

Through analysis of the corporate contract data, procurement completed reporting under the mandatory **Carbon Reduction Commitment Energy Efficiency Scheme (CRC)**.

A statutory requirement of the scheme the procurement team was audited in 18/19 and was rated an overall **green** for management activities

Commercial Supply Service and E-procurement

The Commercial Supply team provides support and guidance to the Category Team, Lambeth staff and suppliers and facilitates the management and development of training as well as ensuring that compliance and due diligence requirements are identified and reported. Activities include

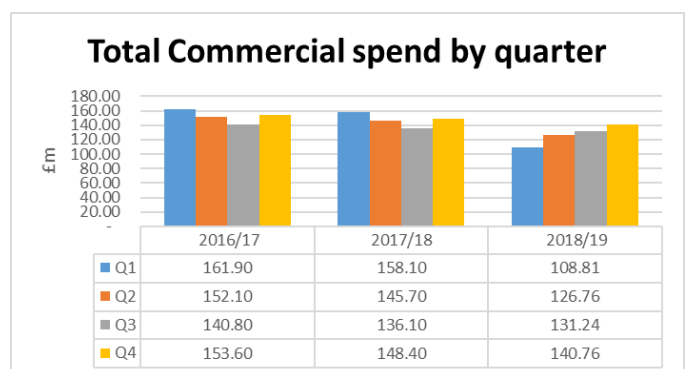
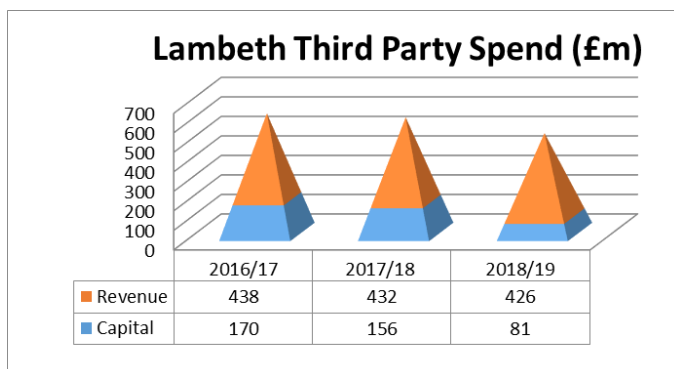
- Oracle commercial management – Supplier set-up and management, Contract Purchase Agreements, Waivers and supporting staff in the use of Oracle.
- Roll out and support of Oracle “iSupplier” to Lambeth contractors. This allows suppliers to update their own records in Oracle and view purchase orders, the status of submitted invoices and payments.
- Compliance and Due Diligence – All suppliers are required to complete a Procurement developed Self Certification Form prior to commencing business with Lambeth
- Oracle training, upgrade testing and support and guidance covering all Procure 2 Pay activity within Oracle.
- Provision and update of all Procurement documentation and guidance.
- Provision of a comprehensive portfolio of training programmes and surgeries including Procurement and Contract Management.
- Audit compliance reporting including PO and bank detail compliance.
- Dun and Bradstreet 6 monthly financial checks on all suppliers with contracts in excess of £100,000.

A full risk assessment is undertaken of all suppliers with annual spend in excess of £100,000. This is undertaken every 6 months. Any supplier identified as having a high or severe risk will be advised to the relevant contract manager to determine any business continuity implications for the Council. The Apr-19 analysis identified

- ✓ 84% of suppliers had a low risk of failure
- ✓ 1.35% had the highest risk of failure



Commercial Spend 2018-19



	of which			
	Total	SME	Local	Charities
Suppliers used 2018-19	3,011	1,998	508	229
Spend £m	507.57	162.10	108.25	29.77

TOP SPEND CLASSIFICATIONS

Top 25 spend - REVENUE

	2016/17	2017/18	2018/19
Top 25 spend	209	199	197
Total Revenue Spend	438	432	426
% spend with top 25	48%	46%	46%

TOP SPEND CLASSIFICATIONS

Top 25 spend - CAPITAL

	2016/17	2017/18	2018/19
Top 25 spend	154.64	138.13	69.14
Total CAPITAL Spend	169.98	156.23	81.38
% spend with top 25	91%	88%	85%

TOP 25 SUPPLIERS - CAPITAL

Supplier	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	Grand Total
Willmott Dixon Construction Ltd			17.47	0.09	17.56
Mears Ltd				13.19	13.19
Breyer Group Plc				5.86	5.86
Engie Regeneration Ltd				4.98	4.98
T Brown Group Ltd				2.62	2.63
F M Conway Ltd		2.57		0.02	2.59
Mitie Property Services (UK) Ltd				2.42	2.42
CVU		2.15		0.17	2.32
Oco Ltd				2.22	2.22
Breyer Group Plc				1.66	1.66
Tibbalds Planning and Urban Design Ltd			0.53	0.98	1.51
Galliford Try Building Ltd				1.47	1.47
Picturehouse Cinemas Ltd		1.31			1.31
T & D Barrs Plumbing and Heating Ltd				1.31	1.31
Niblock Builders Ltd				1.26	1.26
HA Marks Construction				1.04	1.04
Airey Miller Ltd			0.09	0.82	0.91
Morrison Facilities Services Ltd			0.23	0.60	0.83
Muse Developments Ltd				0.79	0.79
Elliott Group Ltd				0.75	0.75
T Brown Group Ltd				0.70	0.70
Mott MacDonald Ltd				0.62	0.62
Forcia Ltd				0.42	0.42
Baily Garner LLP			0.03	0.39	0.42
Virgin Media Business			0.38		0.38
Grand Total		6.04	18.72	44.38	69.14

TOP 25 SUPPLIERS - REVENUE

Spend in £m

Row Labels	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	Grand Total
Matrix SCM Ltd			29.35		29.35
Veolia ES (UK) Ltd		17.76		0.12	17.88
NHS Lambeth Clinical Commissioning Group	15.48				15.48
Mears Ltd		0.28	3.27	11.83	15.38
Western Riverside Waste Authority		14.33			14.33
Transport Trading Ltd	12.34				12.34
Regenter Myatts Field North Ltd			10.29	0.84	11.13
Morrison Facilities Services Ltd		0.43	5.05	4.77	10.24
Guys & St Thomas NHS Foundation Trust	6.56	0.05			6.61
Midos Estates Ltd	-0.01			6.11	6.11
Capita Business Services Ltd			5.89		5.89
South London & Maudsley (nhs) Trust	4.56		0.34		4.91
ENGIE Services Ltd			1.15	3.68	4.83
Denhan International	0.00			4.81	4.81
T Brown Group Ltd				4.18	4.18
Apcoa Parking Services (Uk) Ltd		4.00			4.00
Windmill Care Centre	3.74				3.74
Limetree Healthcare Ltd	3.64				3.64
Oco Ltd				3.46	3.46
Queens Oak Care Centre	3.37				3.37
Engie Regeneration Ltd	0.02	1.53	0.66	1.02	3.23
Mitie Property Services (UK) Ltd				3.10	3.10
Focus Education (Lambeth) Ltd	2.96			0.13	3.10
Allied Healthcare (UK) Ltd	3.07				3.07
CVU		2.98		-0.06	2.92
Grand Total	55.73	41.36	56.00	44.01	197.11