



**Lambeth Procurement Team  
Annual Report 2017/18**

# 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

**Lamnet** Home Useful info News Library Your Future Lambeth Team Sites Search

Procurement (Communication)

**Key thresholds**

Please remember that you are about to spend public resources and you need to test Value for Money, make it transparent and accountable. Is the total value of your procurement under £100k?

**Under £100,000**

Above £100,000 - mandatory Competitive Tender.

**Below EU thresholds** **Above EU thresholds**

**Extensions and Variations** **Waivers and Exemptions**

**Concession Contracts**

**In this section:**

- Name
- Procurement Requirement for the Contracts Register
- Social Value in Procurement
- Category Management
- Quotations Page
- Below EU thresholds
- Above EU threshold
- Extensions and Variations
- Waivers and Exemptions
- GSAs
- Training and Lunchtime Surgeries
- Oracle Documentation
- About Procurement
- Procurement forms and templates
- eProcurement
- Procurement policy and guidance
- Energy Management Unit
- Contract Management

**Links**

- EU-supply
- Contract Register
- Contracts Finder
- 3-year procurement plan
- Public Contract Regulations 2015
- Lambeth Constitution
- Lambeth Contract Standing Orders
- Managers' Charter - Procurement
- Procurement Report 2016-17

**\*Waivers and Exemptions is not a standard process and should be discouraged and avoided wherever possible. Please discuss with the Category Manager.**

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.

Lambeth Procurement is part of Finance. It is led by Christina Thompson. [Click here](#) to find out more about Finance, Valuation & Strategic Property Services.

Lambeth Procurement is Fit For Purpose. The Lambeth procurement teams are committed to making our procurement processes and procedures more efficient and cost effective. We aim to:

- Achieve value for money and efficiency savings
- Support Cooperative Commissioning
- Streamline reporting and decision making

Contact us

Any procurement project over £100k will have to be supported by a professional procurement officer working in one of the category teams. Please find your contact on the [Category Page](#) and contact them directly e-mail or telephone.

Our location:

Lambeth Procurement Team  
2nd Floor, Lambeth Town Hall

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

## Lambeth Contract Register and EU-Supply

**Contracts Register** - A 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.

**EU Supply** – All tenders above £100,000 are managed through an e-tendering system provided by EU-Supply. The system is also used to advertise all our tendering opportunities and receive market responses.

## Responsible Procurement

Responsible Procurement is a process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment.

The social value duty is balanced by obligations to ensure fair and open competition set out in the Public Contracts Regulations 2015 which state, among other things, that award criteria must be 'linked to the subject matter' of the contract in question. To achieve this Procurement has identified four priority areas from the Borough Plan that must be considered in all tenders in excess of £100,000. These are

- Develop Skills and provide access to specific job opportunities
- Community Investment and Improvement
- Improve Air Quality, Reduce Waste and efficient use of Natural Resources.
- Improve Health and Wellbeing

As part of its Social Value commitments, the Council also incorporates ethical sourcing and compliance with related legislation such as the Modern Slavery Act 2015, the General Data Protection Regulation 2016 (GDPR) and the Living Wage into what should be achieved under responsible procurement.



## Living Wage

The requirement to incorporate the Living Wage (London Living Wage within the Capital) was introduced by the Council in 2015. A target was set that at least 95% of suppliers providing contracts to Lambeth applicable to the Living Wage should pay the Living Wage.



As at Apr-18 we had achieved 98%

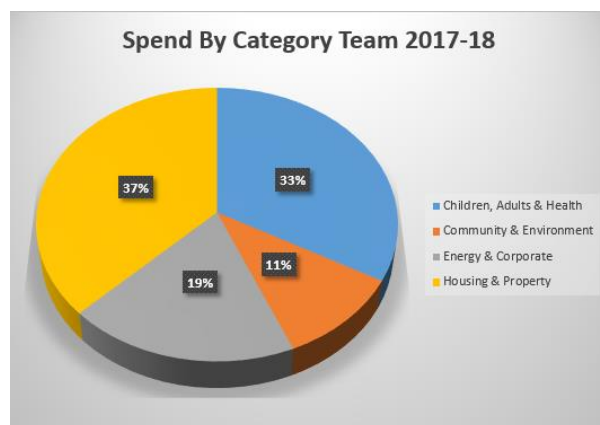
## Transparency in Procurement

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

- Tendered Contracts (through [Contracts Finder](#))
- [Spend above £500 Three year Procurement Plan](#)
- [Contracts Register](#).

# 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

	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	TOTAL £m
Arts & Leisure Services	-	2.23	-	-	2.23
Building Construction Materials	-	-	-	17.47	17.47
Catering	0.09	-	0.35	-	0.44
Cemetery & Crematorium	-	1.10	-	-	1.10
Cleaning & Janitorial	-	-	8.29	-	8.29
Clothing	0.00	-	0.03	-	0.03
Consultancy	-	-	20.46	-	20.46
Domestic Goods	-	-	0.21	-	0.21
Education	4.26	-	-	-	4.26
Environmental Services	-	36.22	-	-	36.22
Facilities & Management Services	-	-	4.84	8.35	13.19
Financial Services	-	-	13.39	-	13.39
Furniture & Soft Furnishings	0.13	-	6.43	-	6.57
Health & Safety	-	-	0.16	-	0.16
Healthcare	47.84	-	-	-	47.84
Highway Equipment & Materials	-	4.95	-	-	4.95
Horticultural	-	0.39	-	-	0.39
Housing Management	-	-	-	38.73	38.73
Human Resources	-	-	26.89	-	26.89
Information Communication Technology	-	-	15.62	-	15.62
Legal Services	-	-	7.98	-	7.98
Mail Services	-	-	0.23	-	0.23
Public Transport	18.17	-	1.15	-	19.31
Social Community Care Supplies & Service	123.82	-	-	-	123.82
Sports & Playground Equipment & Maint	-	0.35	-	-	0.35
Stationery	-	-	0.10	-	0.10
Street & Traffic Management	-	4.60	-	-	4.60
Utilities	-	-	5.39	-	5.39
Vehicle Management	-	0.12	0.56	-	0.68
Works - Construction, Repair & Maint	-	12.58	-	154.87	167.46
<b>Total £m</b>	<b>194.31</b>	<b>62.56</b>	<b>112.09</b>	<b>219.42</b>	<b>588.37</b>

# Housing and Property

## Top 5 spend by supplier (£m)

Supplier	Spend Category		TOTAL
Muse Developments Ltd	Works - Construction, Repair & Maint.Architect.NA	42.75	42.75
Mears Ltd	Works - Construction, Repair & Maint.Buildings.Repair & Maintenance	41.55	41.55
Keepmoat Regeneration Ltd	Works - Construction, Repair & Maint.Buildings.Construction	11.73	
	Works - Construction, Repair & Maint.Buildings.Repair & Maintenance	0.62	12.35
Regenter Myatts Field North Ltd	Works - Construction, Repair & Maint.Buildings.Construction	11.01	11.01
Breyer Group Plc	Works - Construction, Repair & Maint.Buildings.Construction	9.67	9.67

The Procurements in this Category supports the Boroughs Vision of:

➤ Creating inclusive Growth by supporting the “Investment and Growth Team” to procure services which enable businesses to invest in Lambeth and promote growth in key business sectors like the creative and digital industry. We have successfully completed the letting of a concession contract for the meanwhile use of International House which will provide workspace for start-ups and other small businesses. This contract will yield a return of approx. £800K to the council.

➤ Reducing Inequality – By ensuring that all our contractors pay the London living wage. Furthermore we encourage contractors to work with our residents by including evaluation criteria in our tenders which reward social inclusion and local involvement.

➤ Building Strong and Sustainable Neighbourhoods – By supporting the Neighbourhoods and growth division to deliver affordable housing. The team have let a contract to help deliver a “modular build project” which when completed will ease the burden on hostels providing temporary accommodation in the Lambeth area. This project is estimated to cost circa £3 Million Pounds and deliver 44 units of cost effective affordable ho





# Children, Adults and Health

## Top 5 spend by supplier (£m)

Supplier	Spend Category		TOTAL
Transport Trading Ltd	Public Transport.Passenger Transport.NA	12.20	12.20
Guys & St Thomas NHS Foundation Trust	Healthcare.Public Health.NA	8.17	8.17
South London & Maudsley (nhs) Trust	Healthcare.Public Health.NA	5.34	
	Social Community Care Supplies & Service.Adult.Mental Health Services	0.66	
	Social Community Care Supplies & Service.Adult.NA	0.55	6.55
Windmill Care Centre	Social Community Care Supplies & Service.Adult.Residential Care	3.59	3.59
Limetree Healthcare Ltd	Social Community Care Supplies & Service.Adult.Residential Care	3.49	3.49

In addition spend of £16.46m was recorded against the Section 75 Agreement through NHS Lambeth CCG.

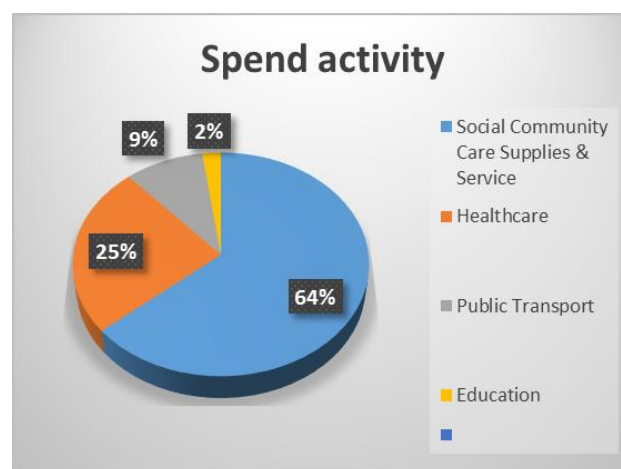
This category focuses on services provided to the borough's young and elderly residents.

The Procurements in this Category supports the Boroughs Vision of:

Reducing inequality that gives our children and young people the best start in life, that protects and supports our most vulnerable children and adults, supporting them to be resilient and to have fulfilling lives and that promotes and protect health and wellbeing and reduce health inequalities. The category supports this vision by procuring high quality services that provide value for money.

The team has successfully procured support at four extra care housing schemes for the borough's vulnerable adults.

Strong and sustainable neighbourhoods that by working together to reduces violence and its



impacts. The team has successfully procured service that prevent and reduce mal e reoffending at a reduced budget

## Working with Lambeth Clinical Commissioning Group (the CCG)

As a part of the Health sub-Category the Council's procurement team works in partnership with and provides advice to the Lambeth Clinical Commissioning Group.

We started closer working with the CCG in 2015 and initially identified the need to work in closer partnership and assist the organisation to review their procurement governance framework. Since then we have entered into a Service Level Agreement and provide comprehensive procurement services for the Lambeth Clinical Commissioning Group. As part of this, we produced an updated procurement policy that helps the organisation to enhance their procurement prac

We have let Lambeth Living Well Alliance a major new integrated alliance contract across the CCG, Council, the South London and Maudsley NHS Trust and Supporting Housing Providers with an annual value of £63 million over 7 (plus 3) years. We are currently procuring a Supporting Housing framework agreement, whose outcomes will be closely aligned with Lambeth Living Well Alliance's objectives.



# Community and Environment

## Top 5 spend by supplier (£m)

Supplier	Spend Category		TOTAL
<b>Western Riverside Waste Authority</b>	Environmental Services.Waste Management.NA	17.99	<b>17.99</b>
<b>Veolia ES (UK) Ltd</b>	Environmental Services.Street Cleansing	5.70	<b>5.7</b>
	Environmental Services.Waste Management	11.09	<b>16.79</b>
<b>F M Conway Ltd</b>	Works - Construction, Repair & Maint.Roads.Construction	0.69	
	Works - Construction, Repair & Maint.Roads.Repair & Maintenance	4.82	
	Works - Construction, Repair & Maint.Open Spaces.NA	0.13	<b>5.64</b>
<b>Lambeth Lighting Services</b>	Highway Equipment & Materials.Street Lighting.NA	4.80	<b>4.80</b>
<b>CVU</b>	Works - Construction, Repair & Maint.Roads.Construction	3.34	
	Works - Construction, Repair & Maint.Roads.Repair & Maintenance	0.95	<b>4.29</b>

This category focuses on some critical and core services for the Borough of Lambeth. These include leisure, culture & events, providing waste and recycling services, delivering vital infrastructure and transport, providing CCTV that helps keep residents safe, parks and street cleansing, as well parking services and lighting.

Improving transport, looking after the health and safety of residents, and investing in the communities & neighbourhoods of Lambeth are just some of the vital things we are doing in this category that feed into the overall Borough plan. These help bring people together and enable residents to carry out environmentally sustainable lives.

We ensure that all Procurement activity in the category supports the corporate priorities of the Council and delivers value for money for the Borough of Lambeth, and its residents. Current projects include:

- Highways Maintenance
- Waste
- CCTV Hardware & Maintenance
- Event Security
- Cycle Training

A key achievement in year was a £675,000 saving achieved as part of the 2 year Tree Maintenance contract.



### Working with Lewisham

Lambeth Council currently provides procurement services to Lewisham Council, advising and helping to run procurement activities, whilst ensuring best value for money for the Borough of Lewisham.

We started working with Lewisham Council in 2016, when it was identified that there was a need for a close working partnership. We have since built up a very successful and ongoing collaborative partnership, helping Lewisham Council to shape and deliver some of their goals and objectives, whilst robustly enhancing their procurement practice.



# Corporate Services and Energy

## Top 5 spend by supplier (£m)

Supplier	Spend Category		TOTAL
Matrix SCM Ltd	Human Resources.Temporary & Agency Staff.NA	23.57	23.57
Capita Business Services Ltd	Consultancy.Business.NA	7.57	
	Information Communication Technology.Software.NA	0.14	7.71
Willmott Dixon Construction Ltd	Furniture & Soft Furnishings.Commercial Furniture.NA	6.24	6.24
Morrison Facilities Services Ltd	Cleaning & Janitorial.Cleaning Service.External	3.92	
	Cleaning & Janitorial.Cleaning Service.NA	1.13	5.05
Arthur J. Gallagher Insurance Brokers Ltd	Financial Services.Insurance.NA	3.07	3.07

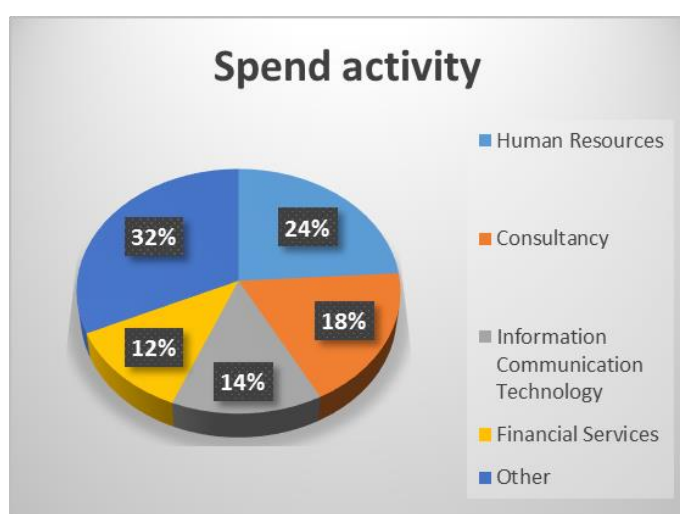
The category supports Council business units in the delivery of their activities. These include contracts that ensure our buildings operate effectively (provision of utilities, security, cleaning, maintenance and repair), and Council contracts relating to ICT, Human Resources, Communications as well 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 covers procurement activity across all of the Council's Directorates, enabling corporate overview and co-ordination of these contracts. The category is highly 'commoditised', with the Council's requirements shared across the public sector – facilitating collaboration and the use of readily available framework agreements

A number of key contracts were awarded in the last 12 months, including a Floating Car Clubs concessions contract expected to generate up to £300k, renewal of the Council's insurance contracts – yielding an annual saving of £407k on Leasehold Building Insurance, with a £224K saving achieved on the Council's new Managed Print contract arrangements

The Category continues to employ a commercial procurement apprentice, the scheme provides the opportunity for the apprentice to gain first-hand experience within a commercial environment as well as working towards gaining a professional qualification 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 decision to settle the CRC levy to 2018/19 in advance generated a saving of £14k.



# 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.
- Compliance and Due Diligence – All suppliers are required to complete a Procurement developed Self Certification Form prior to commencing business with Lambeth
- Oracle training 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 contracted suppliers on 6 monthly basis. 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-18 analysis identified

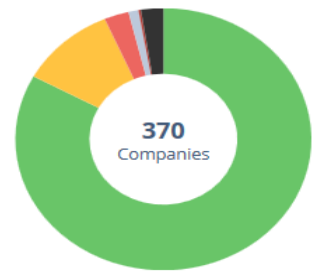
- ✓ 83% of suppliers had a low risk of failure
- ✓ 1.34% had the highest risk of failure

## RISK DISTRIBUTION

Overall view of risk based on the selected portfolio segment.

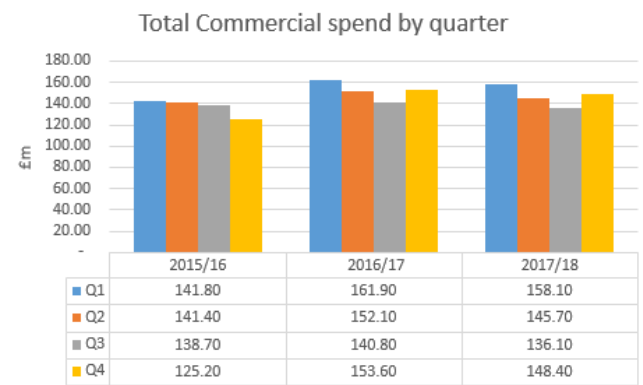
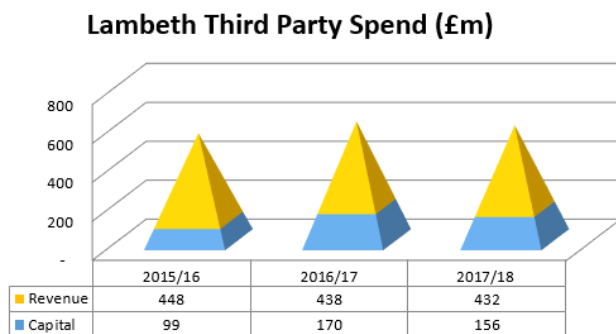
### Select for Details

- Show All
- Low Risk
- Moderate Risk
- High Risk
- Severe Risk
- Out of Business
- Undetermined



Failure Risk

## Commercial Spend 2017-18



## Supplier numbers with spend

	2015/16	2016/17	2017/18
Supplier Volumes	3716	3923	3691
Change	7%	6%	-6%

## Top 25 spend suppliers - REVENUE

£m	2015/16	2016/17	2017/18
Top 25 spend	203.9	209.2	198.8
Total Revenue Spend	448.3	438.4	432.1
% spend with top 25	45%	48%	46%

## Top 25 spend suppliers - CAPITAL

£m	2015/16	2016/17	2017/18
Top 25 spend	86.7	154.6	138.1
Total CAPITAL Spend	98.8	170.0	156.2
% spend with top 25	88%	91%	88%

TOP 25 SUPPLIERS - CAPITAL					£m
Supplier	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	Grand Total
Muse Developments Ltd				42.80	42.80
Mears Ltd			-	26.30	26.30
Keepmoat Regeneration Ltd			-	11.70	11.70
Breyer Group Plc				9.40	9.40
Willmott Dixon Construction Ltd			6.20		6.20
T Brown Group Ltd				5.70	5.70
Mitie Property Services (UK) Ltd				4.20	4.20
T & D Barrs Plumbing and Heating Ltd				3.80	3.80
CVU		3.20			3.20
F M Conway Ltd		2.90			2.90
Tibbalds Planning and Urban Design Ltd				2.60	2.60
Engie Regeneration Ltd				2.30	2.30
Lambeth Lighting Services		2.30			2.30
Oco Ltd				1.90	1.90
Mulalley & Co Ltd				1.90	1.90
Picturehouse Cinemas Ltd				1.60	1.60
Faithful & Gould			1.40		1.40
Temple Lifts Ltd				1.20	1.20
Apex Lift & Escalator Engineers Ltd				1.20	1.20
Morrison Facilities Services Ltd			0.60	0.40	1.00
Niblock Builders Ltd				1.00	1.00
Forcia Ltd				0.90	0.90
Airey Miller Ltd				0.90	0.90
Igloo Regeneration Ltd		0.90			0.90
Telefonica (UK) Ltd			0.80		0.80
<b>Grand Total</b>		<b>9.30</b>	<b>9.00</b>	<b>119.80</b>	<b>138.10</b>

TOP 25 SUPPLIERS - REVENUE					£m
Supplier	Childrens, Adults & Health	Community & Environment	Energy & Corporate	Housing & Property	Grand Total
Matrix SCM Ltd			23.57		23.57
Veolia ES (UK) Ltd	1.87	16.56			18.43
Western Riverside Waste Authority		17.99			17.99
Mears Ltd			1.29	15.26	16.55
NHS Lambeth Clinical Commissioning Groi	16.46				16.46
Transport Trading Ltd	12.20				12.20
Regenter Myatts Field North Ltd				11.01	11.01
Guys & St Thomas NHS Foundation Trust	8.17				8.17
Morrison Facilities Services Ltd_d			4.45	3.56	8.01
Capita Business Services Ltd			7.71		7.71
South London & Maudsley (nhs) Trust	6.55		0.08		6.63
Midos Estates Ltd				6.37	6.37
Denhan International				4.69	4.69
Oco Ltd_d				4.13	4.13
Engie			0.77	3.06	3.83
Apcoa Parking Services (UK) Ltd		3.78			3.78
Windmill Care Centre	3.59				3.59
Limetree Healthcare Ltd	3.49				3.49
Allied Healthcare (UK) Ltd	3.47				3.47
Mitie Property Services (UK) Ltd_d				3.45	3.45
Queens Oak Care Centre	3.24				3.24
Southside Partnership	3.15				3.15
Arthur J. Gallagher Insurance Brokers Ltd			3.07		3.07
Kings College Hospital NHS Foundation Trn	2.95				2.95
D Singh Properties Ltd TA DS Properties				2.88	2.88
<b>Grand Total</b>	<b>65.14</b>	<b>38.33</b>	<b>40.94</b>	<b>54.41</b>	<b>198.82</b>