

## **POLICY & RESOURCES COMMITTEE - 13 JUNE 2013**

### **INTERIM SUPPLY CHAIN MANAGER**

#### **1 Recommendations**

**The Committee is recommended to:**

- 1.1 Approve the extension of the Interim Supply Chain Manager appointment until 31 October 2013.**

#### **2 Background/Discussion**

- 2.1 The Central Procurement Unit (CPU) engaged the services of an Interim Supply Chain Manager (ISCM), through a competitive process, on a joint role with Aberdeen City Council to undertake key strategic procurement activity. The role was on a fixed term basis with all costs being equally shared between both Councils with the Manager being commissioned through a formal contract for services. The ISCM is directly performance managed and instructed by the Head of Procurement.
- 2.2 The ISCM led the procurement exercise to outsource the internal catering provision, the photo-voltaic contract for Woodhill House and was also procurement lead on the recently commissioned North and South Area responsive maintenance and minor works contracts.
- 2.3 Having high level specialist commercial expertise in this role has been core to achieving a net annual saving of £77K (£385K saving over the 5 year fixed price contract term) on the outsourced catering contract. A combined annual saving of £173K will be achieved on the aforementioned North and South Area term contracts. Whilst the savings in this instance will be recurring over a 5 year contract term they will be subject to inflationary pressures.
- 2.4 Commercial business cases for other key projects have been developed which minimise future operational management overheads by introducing innovative contract design. An ongoing knowledge transfer programme is in place for officers within both the CPU and the Property Section within Infrastructure Services.
- 2.5 Since November 2012 the ISCM has been employed solely on Aberdeenshire Council activity. Until the end of the commission he will lead on 15 separate new contract refresh exercises, as well as undertaking strategic assessment on options for change within Energy Management.
- 2.6 All of these projects are scheduled to finish with implementation in place by 31 October 2013. Taking account of what has been paid to date, the overall costs of employing the ISCM for this additional period of time will exceed the £60K tender threshold.

- 2.7 The Head of Property & Facilities Management has been consulted and his comments are that the service being provided is proven to be invaluable given the complexity and volume of the programmes being delivered.
- 2.8 The Head of Finance and the Monitoring Officer within Corporate Services have been consulted and their comments are incorporated within the report.

**3. Equalities, Staffing and Financial Implications**

- 3.1 The total costs to date, since November 2012 and until the end of the proposed commission for the ISCM will be circa £90K. This figure has become cost neutral with savings delivered to date and it is anticipated that savings accrued for the aforementioned forthcoming projects will also be of significant additional value.
- 3.2 The cost of the commission is now being met from relevant budgets within the Property Section. The return on savings is significantly higher than what is paid out in fees and is measured and validated by the Head of Procurement.
- 3.3 An equality impact assessment is not necessary for the purpose of this report as the recommended action does not have a differential impact on people with protected characteristics.

**Christine Gore**  
**Director of Corporate Services**

**Stephen Archer**  
**Director of Infrastructure Services**