

East Dunbartonshire Council: 22 December 2016

Report: TBC

Annual Procurement Strategy

January 2017 – March 2018

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2 Introduction/Executive Summary

This Annual Procurement Strategy has been prepared to support and promote the policies, processes and procedures of an effective procurement approach as reflected in the changing legislative procurement environment.

Procurement is aligned to the Organisational Transformation Programme, working within the Business Transformation team implementing an efficient and effective procurement approach to generate both cash and non-cash savings and in doing so delivering best value to the council.

This strategy sets out the objectives of the Corporate Procurement Team for the period 1st January 2017 to 31st March 2018, as required by the Guidance under the Procurement Reform (Scotland) Act 2014, and in support of Organisational Strategic Objectives within the Local Plan reflecting both national and local priorities.

This strategy will support the achievement of financial savings, delivery of efficient and effective public services through consideration of best value, within a sustainable approach and in alignment with best practice and procurement legislation.

Our aim is to continue to develop and implement an effective procurement approach by:

- Setting out clear strategic objectives
- Embedding a continuous improvement approach to procurement
- Delivering cash savings
- Maximising opportunities to collaborate, innovate and deliver efficiencies
- Providing opportunity to Supported Businesses, Social Enterprises, local and SME suppliers to access public sector contracts
- Directing focus on sustainable procurement, including the identification and delivery of community benefits
- Supporting a sustainable economic environment

3 Procurement Vision and Mission Statement

The Council's vision sees communities, business and public services working together to maximise opportunities to support our
To support this, the effective delivery of a strategic organisational approach to procurement is key to organisational objectives being realised.

Procurement Vision

“to play a key role in supporting the council in its achievement of future organisational objectives, and to harness the benefits to the local community whilst balancing current financial pressures and delivery of best value to the community we serve.”

Procurement Mission Statement

“to build on the established foundations, to embrace and further develop value-adding procurement processes and extend capabilities, as we embed commercially effective practices within the Council in an efficient and compliant approach”

4 Strategy Rationale / Context

This Procurement Strategy has been prepared in the context of the Council's Local Plan, Transformation Agenda and the financial climate of Austerity. It directs Procurement practice to maximise impact and benefit to East Dunbartonshire and the Communities it serves, delivering commercial excellence through successful delivery and achievement of a continuous approach to improvement and adding value. The strategy includes priorities, objectives and outcome targets to cover the reporting period.

This strategy will be achieved by building on both internal and external partnerships, working collaboratively in support of Transformation, with Procurement as a key enabler of the Organisational Transformation Programme.

Procurement is embedded within the Transformation Programme and this strategy will capture and deliver continuous improvement, financial savings and wider organisational objectives. To achieve the strategic objectives, ways of working will change with closer partnerships for Corporate Procurement and all Directorates.

The strategy will facilitate a commercial excellence approach, taking a strategic focus on the appropriate processes over the procurement life-cycle.

The council currently spends over £120m on supplies, services and works. This sum is governed by the legislative framework which includes:

- European Treaties and Directives
- Regulations
- Case Law
- Council Contract Standing Orders
- Procurement Guidance Notes

The Procurement Strategy 2013-2016, was aligned to overall Council objectives and had delivered an improved Corporate Procurement approach, this resulted in the updated Procurement Strategy for 2015-2018, to which this Annual strategy is aligned.

Achieved objectives of the 2013-2016 Strategy include:

- Improved performance in the procurement capability assessment
- Reported Budget Reducing Revenue savings in 2015-2016 of approx. £1m
- Organisational Approach to Procurement Savings adopted
- Procurement compliance, visibility and transparency embedded
- Implementation and adoption of eProcurement system

5 Strategic Aims, Objectives and Key Priorities

The Council faces challenging times within the current economic climate, as an Organisation we have ambitious goals within our Strategic planning, focussing on key deliverables. For this strategy the council has the following three key strategic Procurement objectives:

- 1 Governance and Compliance
- 2 Savings, Added Value & Best Value
- 3 Support a sustainable economic environment

These key objectives are explained in further detail below:

Key Objective 1 – Governance & Compliance

- ensure compliance with relevant policies, procedures and legislative requirements;
- contribute to the Council's vision and to provide efficiencies;
- extend collaboration with other public bodies and suppliers
- ensure key procurement staff are regularly updated with new legislation and changes to legislation
- embed a clear, informed, systematic, holistic and well-researched decision framework;

Key Objective 2 – Savings, Added Value & Best Value

- support achievement of Organisational savings;
- provide a framework to achieve continuous improvement in procurement activity
- ensure all supplies, services and works are procured in the most effective and efficient way to maximise and deliver best value to the council
- regularly review spend data to ensure compliant contracts are in place for external spend
- improve Contract & Supplier Management approaches to ensure delivery of all benefits
- cross organisational approach to identification and realisation of cash and efficiency savings

Key Objective 3 – Support a Sustainable Economic Environment

- embed sustainable and socially responsible purchasing to reflect the Scottish Model of Procurement
- support economic growth
- continue to support and improve access to procurement opportunities for SME's, including local businesses, third sector bodies and Supported Businesses
- a cross organisational, innovative approach to community benefits
- maximise the use of Community Benefits clauses in all appropriate contracts
- simplifying procurement processes and procedures for accessibility for all
- Embed sustainability and promotion of ethical working practices as best practice within procurement processes and procedures.

The identified aims, objectives and key priorities support the Procurement Action plan and are in alignment to Organisational objectives.

6 Spend/Finance

The Council purchases a variety of supplies, services and works across all budget categories. Approximate annual spend to third parties totals £120m, dependent on in year capital projects and programme expenditure.

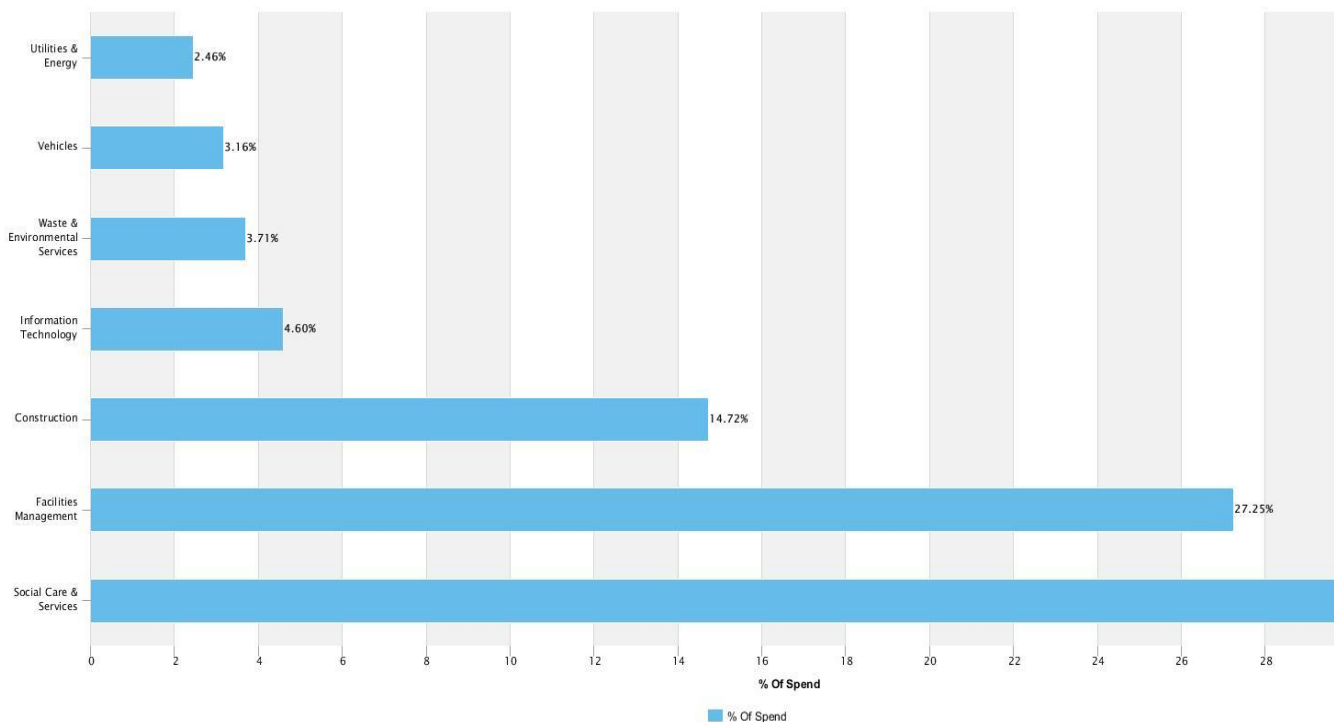
Procurement Savings targets have been aligned within the Financial framework of the Council, achieving these will be challenging, as demands for services are balanced between reducing council budgets and resources, Procurement Action Plan Key Objective 2 captures the work streams that Procurement assistance will support. The 2015/16 Procurement Savings target has been reported as achieved, work in support of the 2016/17 and 2017/18 savings identification is on-going and will be captured within the Transformational processes, monitored and reported..

The annual spend within scope for Procurement savings, is third party, external revenue spend, and reported as budget reducing and not one off, Housing Revenue and Capital spend will be approached in the same organisational process, however these savings will not contribute to the reported targets.

The Council is committed to paying suppliers within the standard 28 day terms, or in alignment to the terms of conditions of contract as relevant to the Supplier/Contractors work package. We also look to promote this throughout the supply chain.

Council Spend Top Commodities (Table 1)

Category (vCode) - Spend Summary by vCode Business Sector



Council Spend by Directorate (Table 2)

Directorate Description	Total Spend	Total Value (%)	Suppliers	Transactions
Integrated Health & Social Care	42,571,771.18	30.25	580	6,636
Education & Children's Services	27,114,537.51	19.27	1,216	14,562
Neighbourhood Services	17,132,740.87	12.18	557	25,901
Roads & Transportation Capital Parent	9,958,078.67	7.08	112	1,880
Education Capital Parent	9,705,029.24	6.90	38	137
Development & Regeneration	9,493,492.67	6.75	583	6,908
Assets & Property Capital Parent	7,135,078.40	5.07	95	384
Housing Revenue Capital Parent	5,653,700.08	4.02	241	548
Customer Services & Transformation	4,049,204.54	2.88	464	1,946
Development Capital Parent	2,971,814.09	2.11	81	214
Finance & Shared Services	2,070,200.61	1.47	82	1,275
Miscellaneous Services	878,945.13	.62	8	23
HRA - Central Costs	423,840.56	.30	115	1,051
Finance & ICT Capital Parent	408,754.84	.29	14	34
Leisure & Culture Capital Parent	339,757.59	.24	4	10
Human Resources Capital Parent	258,075.28	.18	1	60
Housing & Community Capital Parent	166,055.64	.12	1	7
Infrastructure Capital Parent	164,198.50	.12	2	18
HRA - Area Teams	138,476.12	.10	44	907
Social Work Capital Parent	79,019.02	.06	14	34
Chief Executive	4,477.86	.00	5	24
HRA - Homelessness	175.00	.00	1	1
	140,717,423.40			

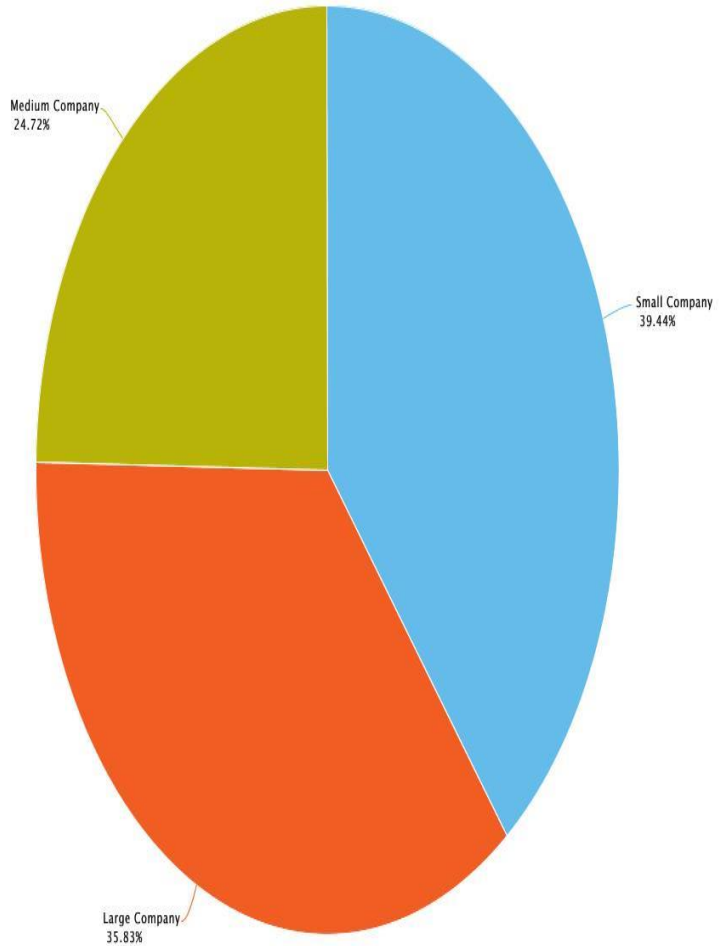
Council Spend by Department (Table 3)

Department Description	Total Spend	Total Value (%)	Suppliers	Transactions	Lines
Community Care - Services to Adults	41,604,095.50	29.57	543	6,486	8,217
Projects	37,278,279.56	26.49	630	5,583	7,528
Education	23,931,876.34	17.01	1,097	12,624	24,360
Neighbourhood Networks	6,734,801.76	4.79	164	1,607	2,159
Leisure & Culture	5,419,864.09	3.85	5	10	13
Property	4,720,402.32	3.35	282	7,667	10,471
Children & Families	3,182,661.17	2.26	189	2,056	2,304
Customer & Digital Services	2,893,435.26	2.06	123	735	1,420
Fleet	2,636,422.54	1.87	158	5,188	5,835
Facilities Management	2,635,265.28	1.87	102	12,969	18,754
General Fund Housing	2,254,377.73	1.60	68	2,745	2,853
Housing Cap - Corporate	1,455,822.81	1.03	25	39	49
Shared Services	1,391,354.07	.99	27	439	1,360
Social Work Resources	876,649.60	.62	45	142	148
Streetscene	781,124.78	.56	143	940	1,301
Corporate Assets	536,770.95	.38	125	867	1,000
Economic Development	465,296.59	.33	254	571	691
Community Planning Partnerships	454,849.52	.32	96	290	374
Skills for Learning Life & Work	395,232.93	.28	176	421	593
Revenue & Benefits	358,986.33	.26	35	443	674
Finance	140,691.69	.10	8	25	68
Business & People Change	137,941.20	.10	30	210	341
Land Planning & Development	131,389.41	.09	20	32	35
Corporate Procurement	118,642.47	.08	4	65	66
Corporate Governance	53,844.43	.04	54	148	254
Legal Services	49,149.72	.03	18	274	369
Development Applications	46,393.52	.03	51	78	209
Audit & Risk	31,801.83	.02	15	21	31
	140,717,423.40				

Council Spend by Supplier (Size) (Table 4)

Size - Spend Summary by Supplier Size (Size Known)

24/11/2016 14:



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7 Considerations and Future Developments

Considerations

Key Purchasing Processes & Systems

We are currently implementing Oracle I-proc to further improve P2P efficiency and effectiveness. The system will capture management information in relation to spend, allowing for transparency, off-contract controls and a robust supplier and contract monitoring information source. Further opportunities will be utilised via the PCS Tender website and Spikes Cavell Observatory to maximise efficient processes and systems. The completion of this project is critical in the progression of the action plan

Current Work Plan

Forthcoming Procurement activity in the Contract Wave Plan and Capital Programme shows activity scheduled for the period covered by this strategy.

Business Transformation

Procurement have recently been transferred to the organisational Transformation Service, this is in support of Organisational objectives to support a flexible, responsive and adaptive approach business transformation.

Taking the above into consideration, the new remit of the Procurement Function within the Organisational structure has the following objectives-

- To align resources in a cross-functional approach to identification of improvements with effective and efficient outcomes for the council
- support the council's Business transformation teams in working together to identify opportunities and realise benefits
- review existing Procurement Team and alignment of other value adding Teams to support resource allocation to offer greatest opportunity for commercial improvement
- embed Organisational approach to Procurement Savings across all Services/Teams

It is recommended that suitable resources, processes and procedures are continually reviewed to ensure delivery of best value whilst maximising opportunities for commercial benefit.

Future Developments

Key Purchasing Processes & Systems

We are currently implementing Oracle I-proc to further improve P2P efficiency and effectiveness. Further opportunities will be utilised via the PCS Tender website and Spikes Cavell Observatory to maximise efficient processes and systems. The completion of a consolidated systems approach is critical in the progression of the action plan. A Procurement IT Strategy to support the realisation of this strategy will be created.

Community Benefits Policy

Following establishment of the cross organisational Community Benefits Forum, the Procurement Team have identified the opportunity to expand the work currently underway and to formalise the cross-organisational approach To identification and awareness of opportunity to offer bestvalue to the Council

The Community Benefits Policy will further support the work of the procurement team and the Community Benefit Forum members to ensure achievement of objectives and legislative requirements.

Contract & Supplier Management Policy

Contract & Supplier Management is the responsibility of Directorates leading the contract, monitoring will be responsibility of Procurement. This assists identification and management of cashable and non-cashable savings opportunities. Procurement will manage a contract register, identifying key suppliers and supporting Directorates in appraisal, monitoring and escalation of requirements.

The PCS-T system will be further utilised to support an end to end process for use across the council

The Contract & Supplier Management Policy will clearly define roles and responsibilities of the Procurement Team and the service users, ensuring a consistent, managed approach across the council, delivering best value from new and existing contracts.

In relation to the considerations and future developments detailed, the following supporting approaches will be captured -

- To align resources in a cross-functional approach to identification of improvements with effective and efficient outcomes for the council
- support the council's Business transformation teams in working together to identify opportunities and realise benefits
- review existing Procurement Team and alignment of other value adding Teams to support resource allocation to offer greatest opportunity for commercial improvement
- embed Organisational approach to Procurement Savings across all Services/Teams through policies, processes and procedures

Procurement improvements continue following our 'How Good is our Council 2014' Audit Scotland Report, with the 2016 report recognising the improvements the Council has made to date, focus is now directed to identification of the savings aligned to investment in Procurement, this is contained within the Action Plan, and is linked to Organisational actions.

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8 Implementation, Monitoring, Reviewing and Reporting on the Strategy

The aims, objectives and key priorities of this annual strategy will be monitored via the effective management of the Procurement Action Plan, see Appendix 4

The performance of the action plan will be reported to and monitored by the Transformation Programme and Policy & Resources Committee.

The Transformation Programme will facilitate delivery of the actions to enable strategic key priorities, and the achievement of a transparent, accountable approach.

The strategy and Procurement Action Plan will be reviewed on an on-going basis to ensure delivery against targets, with relevant stakeholders included at appropriate points.

Delivery of this strategy requires leadership support from Elected Members, CMT, Directorate Leaders and all involved in Council procurement. Leadership commitment is in place to delivering required improvements for efficient and effective use of resources whilst continuing to improve performance. Core principles for Procurement Leadership and Guidance are to:--

- Maintain a clear corporate strategic leadership that covers all procurement activity;
- Ensure objectives reflect and support Council core values, aims and objectives;
- Clearly defined processes/procedures and delegation of authority for procurement are embedded in Standing orders for Contracts and financial regulations;
- Implement and monitor the Council's Procurement Strategy and Action Plan;
- Ensure procurement procedures reflect developments in legislation and EU guidance, and provide a robust framework to support the probity of Council spending;
- Protect the council from challenge by determining officer accountabilities and responsibilities in procurement activity, then monitoring and enforcing compliance.

In addition to internal reporting procedures, we will participate in the external assessment process facilitated by Scotland Excel, the Procurement and Commercial Improvement Programme (PCIP), the 2016-17 assessment date for East Dunbartonshire Council is scheduled for June 2017.

9 Strategy Ownership & Contact Details

Please contact the following in relation to the contents of this Annual Procurement Strategy

Kirsty Chisholm, MCIPS

Corporate Procurement Manager

0141 574 5621

Kirsty.chisholm@eastdunbarton.gov.uk

Broomhill Industrial Estate
Kilsyth Road
Kirkintilloch
Glasgow
G66 1TF

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10 Policies, Tools & Procedures

Governance

Council Standing Orders

(<https://www.eastdunbarton.gov.uk/business/procurement/procurement-regulatory-framework>) apply to all contracts put in place on behalf of the Council for supplies, services and works. Council standing orders take into consideration the provisions of the European Union, UK, and Scottish legislation relating to the procurement process. The delivery of this Procurement strategy will ensure the Council's regulated procurements are delivered in accordance with the mandatory requirements set out in the Procurement Reform (Scotland) Act 2014. The following legislative suite of documents are in support of this:

- Council Contract Standing Orders
- Financial Regulations
- Scheme of Delegation

Council Policies

The Council's overarching objectives are set out within the Local Plan with a focus on monitoring and reporting on performance, individual Service plans support the overall objectives and are reported in line with this. The Procurement Strategy will embed national and local policies and strategies in support of Organisational performance management. The following policies will support achievement of this strategy:

- Sustainable Procurement Policy
- Organisational Approach to Procurement Savings
- Anti-Bribery Policy
- Community Benefits (Incl in Action Plan)
- Contract and Supplier Management (Incl in Action Plan)
- Accredited Living Wage Employer (Incl in Action Plan)
- Procurement IT Strategy (Incl in Action Plan)

Procedures

The Council's procedures are embedded via the Governance Frameworks and Policies in place. Procedures are reviewed and aligned to meet legislative requirements and procedural documentation is continuously reviewed to ensure legislative compliance and securing of best value. The following documentation supports delivery of this:

- Procurement Handbook
- Sourcing Strategy Template
- Web & Hub Guidance

National Policies, Tools & Legislation

Key to the Council's Policies and procedures are the following, these support and direct internal actions and are central to supporting the Action Plan within the strategy.

- [Scottish Model of Procurement](#)
- [Changes to European Directives](#)
- [Public Procurement Reform Programme](#)
- [Suppliers Charter](#)
- [EU Procurement Thresholds](#)
- [Procurement Journey](#)
- [PCIP](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland – Tender](#)
- [Information Hub](#)

Our web pages detail all relevant information in relation to Suppliers/Contractors engaging with East Dunbartonshire Council, full information is available on the Procurement pages.

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11 Appendices

Appendix 1 Key Procurement Activity

Key Strategic procurement areas over the period of the strategy focus on delivery of Operational Objectives and Capital/Transformational projects.

Work to support the capital programme is in place, the Council's Contract Register can be found on the following link –

<https://www.eastdunbarton.gov.uk/business/procurement/current-contract-opportunities>

This link enables access to our abbreviated contract register and current tender opportunities via a link to the Public Contracts Scotland portal.

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Appendix 2 Supporting Procurement Documentation

Contract Standing Orders



Contract Standing
Orders, Dec 2015.doc

Procurement Strategy



FSS-032-15-PCIP
Corporate Procurement

Procurement Handbook



PROCUREMENT
HANDBOOK V12.doc

Sustainable Procurement Policy



Sustainable
Procurement Policy.d

Organisational Approach to Procurement Savings



FSS-032-15-KC
Corporate Procurement

Procurement Action Plan

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Appendix 3 Regulated Procurements/Mandatory Requirements

The Procurement Reform (Scotland) Act 2014 requires a Procurement Strategy to be in place for Regulated Procurements.

Regulated Procurements include Supplies & Services with a total contract value of £50k to the OJEU threshold (currently £164,176) and Works with a total contract value of £2m to the OJEU threshold (currently £4,104,394).

This appendix includes the mandatory requirements for Regulated Procurements and details how this Procurement Strategy will deliver these requirements.

On an annual basis this Appendix of the Procurement Strategy will be reviewed and reported back to the Scottish Government as part of the Annual Report on the delivery of Regulated Procurements.

How does the Council intend to ensure that its regulated procurements will:	Council Strategy
Contribute to the carrying out of its functions & the achievement of its purposes?	<p>The Council has clear strategic priorities and a strong focus on monitoring and reporting performance. These priorities are embedded and supported in the Local Plans. Each Service has a Directorate Plan which is reported on an quarterly basis.</p> <p>The delivery of this Annual Procurement Strategy will ensure procurement is delivered in a compliant, effective and efficient manner, provide a clear action plan for improvement and contribute to wider council objectives and directorate priorities.</p> <p>By ensuring early engagement and clear communication channels with Service Departments we will assist in achieving best value for the Council.</p>

<p>Deliver value for money?</p>	<p>The successful delivery of the Annual Procurement Strategy, the application of procurement best practice and undertaking key strategic procurement activities:</p> <ul style="list-style-type: none"> • By including appropriate Lots to promote SME/Third party & Supported Business participation • Maximising the impact of each pound spent by including Community Benefit Clauses • Evaluating on most economic and advantageous criteria • Robust contract management • Application of effective commercial evaluation models
<p>Be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination?</p>	<p>The Council's Standing Orders Relating to Contracts and Corporate Procurement Handbook apply to all contracts made by or on behalf of the Council for the execution of works, for the supply of goods and materials, or for the provision of services.</p> <p>All procurement activity undertaken must comply with the above process and procedures which secures compliance with the Act and Statutory Guidance.</p> <p>The Standing Orders Relating to Contracts are currently being revised to reflect the new procurement regulations</p>
<p>Be undertaken in compliance with its duty to act in a transparent and proportionate manner?</p>	<p>As above.</p>

<p>Comply with the sustainable procurement duty?</p>	<p>In adherence with Council policies and in light of the Procurement Reform (Scotland) Act 2014, the council has/will</p> <ul style="list-style-type: none"> • Update their Sustainable Procurement Strategy • update Council Standard Orders to reflect the new procurement rules • incorporate the Scottish Government sustainable tools within procurement processes
<p>Include a statement on the Council's general policy on:</p>	
<p>The use of Community Benefit requirements.</p>	<p>The Council's Community Benefits in Procurement Policy will be implemented in line with the requirements of the Act.</p> <p>Procedures have already been updated to capture requirements of the Act</p>
<p>Consulting and engaging with those affected by its procurements.</p>	<p>The Council engages with both internal and external stakeholders.</p> <p>The new Organisational approach to Procurement Savings and the implemented Options Appraisal approach to all Council projects, will further enable wider reach to engage with the council and participate in the decision making process.</p> <p>Procurement will support Locality Partnerships by providing procurement advice to community partners and delivering Community Benefits that are aligned to support Local Area initiatives. This will be facilitated via the Council's Community Benefit Forum and its stakeholder forums.</p>

<p>Payment of a living wage - to persons involved in producing, providing or constructing the subject matter of regulated procurements.</p>	<p>The Council is currently compiling information for the application to be an Accredited Living Wage Provider (October 2016).</p> <p>Fair Working Practices (including reference to the living wage) are included as evaluation criteria in all relative contacts.</p>
<p>Promoting compliance with health and safety at work, including how a supplier/sub-contractor demonstrates compliance.</p>	<p>Health & Safety criteria form part of the evaluation for all relevant and appropriate contracts. This element is scored on a pass / fail basis.</p>
<p>The procurement of fairly and ethically traded goods and services</p>	<p>The Council has an Economic and Sustainability Strategy and a Sustainable Procurement Strategy, which include environmental issues and life cycle costs and quick wins and require that sustainability must be considered when developing specifications and tender evaluation criteria to help reduce the council's carbon footprint.</p> <p>The Sustainable Procurement Policy will be reviewed to ensure it meets current legislative requirements and will be amended accordingly including reference to the procurement of fairly and ethically traded goods and services.</p> <p>This work is discussed within the East Dunbartonshire Fair Trade Group, Corporate Procurement have a dedicated Champion supporting the work of this group.</p>

<p>How the Council intends its approach to regulated procurements involving the provision of food to:</p> <p>Improve the health ,wellbeing and education of communities in the authorities area, and</p> <p>Promote the highest standards of animal welfare</p>	<p>The development of the Councils Community Benefits in Procurement Policy, which will apply to all contracts, will reflect the delivery of Community Benefits which:</p> <ul style="list-style-type: none"> • improve the health • improve the wellbeing; and • contribute to the education <p>of communities in East Dunbartonshire Council.</p> <p>The Council shall comply with the sustainable procurement of food or catering services guidance contained within “Catering for Change: Buying food sustainably in the public sector”.</p> <p>The Council shall also ensure that animal related food suppliers comply with all relevant legislation (eg Animal Health and Welfare (Scotland) Act 2006 , The Welfare of Animals at the Time of Killing (Scotland) Regulations 2012, The Welfare of Animals (Transport) (Scotland) Regulations 2006) and amendments to ensure the highest standards of animal welfare.</p> <p>The Council will also ensure where applicable that specifications include the requirement for:</p> <ul style="list-style-type: none"> • appropriate food standards certification or equivalent • careful sourcing of Halal and Kosher meat • careful sourcing of eggs and consideration of the different types of system • organic certification; and • Royal Society for the Protection of Birds freedom foods.
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<p>How the Council intends to ensure so far as is reasonably practical:</p>	
<p>Payment of invoices no later than 30 days after receipt of invoice by the:</p> <ul style="list-style-type: none"> • Council to a supplier • supplier to sub-contractor, • sub-contractor to a sub-contractor 	<p>The Council monitors payments on time (within 28 days) to suppliers on a monthly basis. Payment processes will be reviewed on an ongoing basis to ensure payment targets are met.</p> <p>Payment clauses requiring a 28 day payment term are embedded within the Council terms and conditions. All terms and conditions shall be reviewed, and amended if required, to ensure all sub-contractors in the supply chain are paid in the same timescales.</p> <p>Supplier to sub-contractor and sub-contractor to a sub-contractor payment performance for any Regulated contracts will be monitored through the requirement for suppliers to provide supply chain payment performance figures on a quarterly basis.</p>

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Appendix 4 Action Plan 1 January 2017 to 31 March 2018

Key Objective 1 - Governance & Compliance	
To adopt and implement the Procurement Reform (Scotland) Act 2014 and new Procurement Regulations	
Performance Indicator	No Legal Challenge
Action	Target Date
1.1 ensure compliance with relevant policies, procedures and legislative requirements	On going
1.2 contribute to the Council's vision and to provide efficiencies	On going
1.3 extend collaboration with other public bodies and suppliers	On going
1.4 ensure key procurement staff are regularly updated with new legislation and changes to legislation	On going
1.5 embed a clear, informed, systematic, holistic and well-researched decision framework	On going

Key Objective 2 - Savings, Added Value & Best Value	
To support the council in achieving savings and delivering value added procurement	
Performance Indicator	Benefits realisation
Action	Target Date
2.1 support achievement of Organisational savings	31/3/17 31/3/18
2.2 provide a framework to achieve continuous improvement in procurement activity	On going
2.3 ensure all supplies, services and works are procured in the most effective and efficient way to maximise and deliver best value to the council	On going
2.4 regularly review spend data to ensure compliant contracts are in place for external spend	On going
2.5 improve Contract & Supplier Management approaches to ensure delivery of all benefits	On going
2.6 cross organisational approach to identification and realisation of cash and efficiency savings	On going

Key Objective 3 – Support a Sustainable, Economic Environment	
To support the benefits of a sustainable procurement approach, securing added value to both the council and the community we serve	
Performance Indicator	Benefits realisation
Action	Target Date
3.1 embed sustainable and socially responsible purchasing to reflect the Scottish Model of Procurement	On going
3.2 support economic growth	On going
3.3 continue to support and improve access to procurement opportunities for SME's, including local businesses, third sector bodies and Supported Businesses	On going
3.4 Embed a cross organisational, innovative approach to community benefits	31/3/17
3.5 engage with relevant stakeholders on the use of Community Benefits clauses in all appropriate contracts	On going
3.6 simplifying procurement processes and procedures for accessibility for all	On going
3.7 embed sustainability and promotion of ethical working practices as best practice within procurement process and procedures.	On going

12 Glossary Of terms

<p>Agreement Another word for “Contract”. The legally binding contract terms and conditions between the parties.</p>
<p>Category Management An approach to procurement within the Council that places projects of a particular type (e.g. construction, IT) with staff that are expert in procurements of that type.</p>
<p>CMT Council Management Team</p>
<p>Collaboration In this context, public sector organisations that engage in a joint procurement for works, services or supplies with the intention of obtaining better value for money through economies of scale and reduced tendering costs.</p>
<p>Commissioning The process of specifying, securing and monitoring services to meet people’s needs at a strategic level. It applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors</p>
<p>Competitive Tendering Awarding contracts following a process to obtain competing tenders.</p>
<p>Contract A binding agreement between two or more parties that is enforceable in law.</p>
<p>Contract Officer An officer of the Council who has been nominated to manage the contract.</p>
<p>Contractor A firm or person who has entered into a contract with the Council to supply works, goods or services.</p>
<p>EU European Union.</p>
<p>ESPD European Single Procurement Document allow businesses to complete one document containing their basic selection and exclusion information and use this in competitions across Europe, building on the progress made in Scotland through the development of the standard pre-qualification questionnaire. Only used for EU procurements</p>
<p>Evaluation A detailed assessment and comparison by the Council of offers made in response to a request for quotations or tenders in accordance with published criteria.</p>

<p>Framework Agreement</p> <p>An agreement with suppliers which sets out the terms and conditions (including maximum prices) under which specific orders can be made throughout the term of the agreement.</p>
<p>Invitation to Tender</p> <p>A formal document inviting an organisation to tender to provide a service, supply goods or to carry out works for the Council. It will include the instructions for submitting a tender, the specification for the requirement, the criteria against which the tender will be assessed, the proposed terms and conditions for the contract and, sometimes, a business questionnaire.</p>
<p>ITT</p> <p>Invitation to Tender.</p>
<p>KPI</p> <p>Key Performance Indicator. KPIs are placed against certain elements of a contract or service level agreement and indicate the items that are to be measured to see if the contractor has achieved the required contract standard.</p>
<p>Life cycle costing</p> <p>The systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset.</p>
<p>Local Suppliers or Suppliers local to Clackmannanshire –defined on a case by case basis to reflect the type of procurement and the maturity of the supplier market within the County, sub-region, region.</p>
<p>MEAT</p> <p>Most Economically Advantageous Tender</p>
<p>Method Statement</p> <p>A document used in the invitation to quote or to tender which sets out specific questions for the bidder to answer to explain to the Council how a service is to be delivered/works to be carried out. The answers will be evaluated and form a part of the contract.</p>
<p>Most Economically Advantageous Quotation/Tender</p> <p>The quotation or tender offering the Council the greatest benefit in terms of cost and quality.</p>
<p>OJEU</p> <p>Official Journal of the European Union. The on-line publication in which notices advertising Council tenders that fall within the EU thresholds must be placed at the start and end of the procurement.</p>
<p>P2P</p> <p>Purchase to Pay System, Oracle Iprocurement</p>
<p>PQQ</p> <p>Pre-Qualification Questionnaire. A document asking the tenderer to provide information about their business and experience. Used below EU level procurements.</p>
<p>Procurement</p> <p>The process of the acquisition by the Council of the goods, services and works that it needs to deliver its services.</p>

PCS Public Contracts Scotland the Scottish Government advertising portal which local authorities are required to use for the publication of information about contract opportunities worth £50,000 or over.
Quotation An offer by a supplier to supply goods or services or to carry out works requested either orally or in writing.
Regulations The Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015 Procurement (Scotland) Regulations 2016 Concessions Contracts (Scotland) 2016
SME In this context, Small and Medium businesses.
Specification/Statement of Requirements A description of the requirements for the service, supply or works to be provided.
Supplier/Service Provider Other words for “Contractor”.
Tender The offer submitted by the tenderer in response to the Invitation to Tender.
VFM Value for money

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