

EAST RENFREWSHIRE COUNCILCABINET5 December 2019Report by Chief Officer Legal and
ProcurementANNUAL PROCUREMENT REPORT 2018/19 AND
CORPORATE PROCUREMENT STRATEGY 2019– 2022**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval of the Annual Procurement Report 2018/19 and the new Corporate Procurement Strategy 2019 - 2022.

RECOMMENDATION

2. The Cabinet is asked to approve the Annual Procurement Report 2018/19 and the Corporate Procurement Strategy, as detailed in Appendix 1 and 2.

BACKGROUND

3. The Annual Procurement Report is required under Section 18 (2) (a) of the Procurement Reform (Scotland) Act 2014 where it is stated that Councils must publish a summary of their regulated procurements completed during the year covered by the report. This report provides an opportunity for the Council to demonstrate to our stakeholders that our procurement spend is being used to achieve not only best value but also supports the Council vision of being modern and ambitious to create a fairer future with all.

4. The Procurement Reform (Scotland) Act 2014 also requires the Council to develop a Procurement Strategy and review it annually. The Corporate Procurement Strategy incorporates 2019- 2022 demonstrates how procurement in East Renfrewshire plays a fundamental role in supporting the delivery of the Council's strategic objectives and is a key enabling strand for continuous improvement across the Council.

REPORT

5. The Council's Annual Procurement Report 2018/19 is attached as **Appendix 1** and covers all regulated procurements completed during the period 1 April 2018 to 31 March 2019. The Procurement Reform (Scotland) Act 2014 defines regulated procurements as procurement exercise for good and services with a value of £50,000 or more and for works with a value of £2million or more.

6. The Annual Procurement Report highlights improvement activities in relation to key procurement capabilities as well as performance in the areas of community benefits and social responsibility. An indication of proposed regulated procurements to be carried out in the following 2 financial years is also contained within the report.

7. The new Corporate Procurement Strategy 2019-2022 is attached as **Appendix 2** and outlines a new vision for Corporate Procurement: *“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”*

8. The Strategy also sets out 5 new procurement capabilities which will help to deliver operational and strategic procurement outcomes for the Council. These capabilities are aligned to the Council’s overall vision, capabilities and values and are fully articulated in the Strategy:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

9. The next Annual Procurement Report 2019/20 and update on progress will be provided to the Cabinet in October 2020.

FINANCE AND EFFICIENCY

10. There are no specific financial implications arising from this report.

CONSULTATION

11. No formal consultation was undertaken in the production of the report.

IMPLICATIONS OF THE PROPOSALS

12. There are no staffing, IT, legal, sustainability or other specific implications associated with this report.

CONCLUSIONS

13 This Annual Report 2018/19 and new Corporate Procurement Strategy 2019-22 provides an update of annual activities whilst ensuring the Strategic Direction of Corporate Procurement is set to meet the current and future needs of the Council. Publication of the Annual Report and Strategy also ensure compliance with duties under the Procurement Reform (Scotland) Act 2014.

RECOMMENDATION

14. The Cabinet is asked to approve the Annual Procurement Report 2018/19 and the Corporate Procurement Strategy, as detailed in Appendix 1 and 2.

REPORT AUTHOR

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Report date: 12 November 2019

CORPORATE PROCUREMENT



Annual Procurement Report

1st April 2018 – 31 March 2019

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- 1.1 Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act) requires East Renfrewshire Council (the Council) to publish an Annual Procurement Report which monitors the authorities regulated procurement activities against its Procurement Strategy 2019-2022.

This report provides an opportunity for the Council to demonstrate to our stakeholders that our procurement spend is being used to achieve not only best value but also the Council vision of being modern and ambitious to create a fairer future with all.

- 1.2 The Annual Procurement Report is a mandatory requirement of the Act and must include

- A summary of the regulated procurements that have been completed during the year covered by the report,
- A review of whether those procurements complied with the authority's Procurement strategy,
- The extent that any regulated procurements did not comply, and a statement of how the authority intends to ensure that future regulated procurements do comply,
- A summary of any community benefit requirements delivered as part of a regulated procurement that were fulfilled during the year covered by the report
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- A summary of the regulated procurements the authority expects to commence in the next two financial years,
- Such other information as the Scottish Ministers may by order specify.

- 1.3 The Annual Procurement Report also details initiatives being developed to further improve the performance of the Corporate Procurement Unit in line with the procurement vision for the Council which is:

“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”

- 1.4 East Renfrewshire Council's vision for the future is to be a “modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better”. The Council has 5 Strategic Outcomes where we are working across East Renfrewshire to achieve best Outcomes for:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People and People with Long-Term Conditions

- 1.5 In order to deliver on these 5 Strategic Outcomes, 5 Capabilities have been identified to provide the necessary skills required. These are:

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

- 1.6 Corporate Procurement can play an important role in achieving the Council's

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Strategic Outcomes and provide key skills contributing to the 5 Capabilities as detailed below:

- **Prevention** – we will collaborate with Services across the Council with a focus on preventing poor outcomes for our residents and providing planned rather than reactive services. We will seek to maximise opportunities for collaboration and using an evidence based approach to designing services.
- **Community Engagement** – we will utilise innovative approaches to engage our communities and to prioritise the allocation of resources. We will explore ways in which contractors, commissioned partners and communities can work in partnership with us to deliver outcomes.
- **Data and Evidence** – we will utilise spend data, market analysis and build positive relationships and networks with key stakeholders to ensure an evidence based approach to strategic procurement and identifying efficiencies
- **Modernising How We Work** - we will focus on modernising our processes to avoid unnecessary approvals, duplication and manual processes. We need to ensure Corporate Procurement meets the current and future needs of the Council and greater focus should be placed on Contract and Supplier Management to ensure best value is achieved from our contracts throughout their lifecycle.
- **Digital** – we will harness the potential from the new “Core Systems” and ensure that the full purchase to pay processes throughout the Council are modern, digital and efficient.

SECTION 2 - SUMMARY OF REGULATED PROCUREMENT

- 2.1 Section 18 (2) (a) of the Procurement Reform (Scotland) Act 2014 requires Councils to include a summary of the regulated procurements that have been completed during the year covered by the report.
- 2.2. Regulated procurement refers to any procurement above £50,000 for goods and services, or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.
- 2.3 The number of regulated procurements carried out during the financial year 2018/19 was 22 with a total cost of £24,752,426. It should be noted that this figure does not include departmental call offs from existing Framework Agreements which were awarded out with the period of this report.
- 2.4 A listing of all regulated procurements from Financial Year 2018/2019 can be found at **Appendix 1**.

3.1 Corporate Procurement Strategy

The Corporate Procurement Strategy has set out 5 key procurement capabilities which will help to deliver operational and strategic procurement outcomes for the Council and are aligned to the Council's capabilities:

Leadership and Stakeholder Management – Through identifying and building relationships with key strategic and tactical stakeholders across the organisation procurement can build an understanding of current and future requirements and add value as part of a category management approach.

Compliance and Governance - Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, fair and ethically traded goods and services, community health and wellbeing and animal welfare in procurement of food.

Strategic Procurement – To deliver a category management approach to strategic procurement which supports a commercial focus across the organisation and identifies savings and opportunities throughout the full procurement journey.

Performance Reporting -To use an evidenced based approach to provide visibility of key performance information which supports informed decision making around the current and future direction of Corporate Procurement.

Sustainable Procurement and Community Benefits - Focus on sustainable procurement including innovative use of Community Benefits clauses, economic development and consideration of social responsibilities

3.2 In 2018/19 the Council has ensured that all regulated procurements comply with both the Council's Procurement Strategy and all relevant legislation. A summary of work carried out for each of our key procurement capabilities in 2018/19 is provided below.

Leadership and Stakeholder Management

- Scotland Excel procurement review including in-depth interviews with senior stakeholders across the Council
- Participation on national and regional strategic working groups including those hosted by Scotland Excel, Scottish Government and City Deal.

Compliance and Governance

- Amendments to Contract Standing Orders approved
- Contract Terms and Conditions reviewed and updated

Strategic Procurement

- Procurement Board support for the various procurement changes
- Annual review of spend to identify contract opportunities

Performance Reporting

- Use of Public Contracts Scotland portals including PCS-Tender to analyse contract data.
- Scoping requirements for central contracts register.

Sustainable Procurement and Community Benefits

- Development of the contract strategy document to include sustainable considerations.
- Capturing and reporting community benefits through involvement in City Deal.

- 3.3 The Procurement Strategy 2019-2022 identifies a number of actions and expected outcomes aligned to our 5 key procurement capabilities. The Strategy will be reviewed on an annual basis to drive continuous improvement.

SECTION 4 COMMUNITY BENEFITS SUMMARY

- 4.1 Section 18(2) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for the Annual Procurement Report to include a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
- 4.2 In October 2014 Cabinet approved the sustainable procurement policy which covers both community benefits and sustainability. The Council's commitment to this is demonstrated not only through the policy but also within the Corporate Procurement Strategy and Contract Standing Orders.
- 4.3 Community benefits are sought for applicable contracts where both the value (over £50,000) and duration of the contract merit a benefit being pursued and it is at the contract strategy development stage that community benefits are to be considered and then reflected into the tender documentation.
- 4.4 The approach taken by the Council has been beneficial when developing the Glasgow City Region City Deal Community Benefits Policy. The Council actively participates in the Community Benefits working group ensuring standardisation of the process and maximisation of the benefits achieved through the city deal contracts.
- 4.5 Community Benefits were secured in a number of contracts which can be viewed at **Appendix 2**.

SECTION 5 SUPPORTED BUSINESS SUMMARY

- 5.1 The Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.
- 5.2 The Council supports the use of supported businesses and will promote their use where it is appropriate. This can be demonstrated through:
- The adoption of a low value ordering process that encourages the use of supported business for non-regulated requirements.
 - The procurement intranet pages host supported business information to increase awareness across the council.
 - The contract strategy development stage considers supported business and third sector organisations as part of the market research stage.
- 5.3 The Council previously placed orders with Lady Haig's Poppy Factory and Hansel Alliance, RSBI, Aspire Community Solutions and Greenhouse Cafe.

SECTION 6 FUTURE REGULATED PROCUREMENT SUMMARY

6.1 The following future Regulated Procurements are currently within the pipeline of projects to be delivered over the next two financial years.

It should be noted that all information is indicative and may be subject to change.

Tender Title / Subject	Estimated Value	Commencement Timescale
Email & Web Secure Gateways Licenses	£156,988.00	FY 19/20
Customer Digital Experience Management Framework Agreement	£1,000,000.00	FY 19/20
Cyber Security Operations Centre	£60,000.00	FY 19/20
Managed Print	£3,500,000.00	FY 19/20
Route Optimisation Solution	£266,450.00	FY 19/20
Structured Cabling	£60,000.00	FY 19/20
Occupational Health Services	£210,900.00	FY 20/21
Insurance Broker	TBC	FY 20/21
GIS Mapping Tool	TBC	FY 20/21
Prepaid Credit Cards	TBC	FY 20/21
Secure Cash Uplift	TBC	FY 20/21
HSCP Case recording System	£2,000,000.00	FY 20/21
Provisions of Services to Aid Recruitment of Chief Officer and Senior Management positions.	£170,000.00	FY 20/21
Arboricultural Services	£1,200,000.00	FY 19/20
Collect & Recycle or Dispose of Household Waste Recycling Centre (Barrhead)	£295,000.00	FY 19/20
Supply & Delivery of Sports Pitch	£148,000.00	FY 20/21
Right to Purchase Post-Consumer Glass, Cans and Mixed Plastics	TBC	FY 20/21
Winter Maintenance Services	£600,000.00	FY 19/20
Coal Tar Testing (CTT)	£800,000.00	FY 19/20
Installation & Maintenance of Traffic Light Signals	£400,000.00	FY 19/20
Provision of Fresh Fruit & Vegetables	£494,000.00	FY 19/20
Supply, Delivery & Installation of Gym Equipment at Barrhead Foundry	£75,000.00	FY 19/20

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Sheriff Officers Services	£108,000.00	FY 19/20
Revenues and Benefits System	£840,000.00	FY 19/20
Telecare Call Warden Handling System	£2,075,000.00	FY 19/20
Telecare Peripherals	TBC	FY 19/20
Audio Visual	£250,000.00	
Early Years Expansion capital works 2020	£19,922,363.32	FY 19/20
Measured Term Contract Electrical Works	£2,000,000.00	FY 19/20
CCTV Services	£628,000.00	FY 20/21
Provision of Treasury Management Advisory Services	£65,000.00	FY 20/21
Banking Services	£120,000.00	FY 20/21
Online Payment for Schools Services	£51,000.00	FY 20/21
Outdoor Residential & Duke of Edinburgh	£2,360,000.00	FY 20/21
Cross Arthurlie Extension Works	£2,000,000.00	FY 19/20
Control Management and Testing of Legionella Services	£145,000.00	FY 19/20
Framework Agreement for the renewal of School Windows & Screens - Works	£2,150,000.00	FY 19/20
Housing Management Solution	£500,000.00	FY 19/20
Smoke, Heat & Co Detector 19/20 Services	£355,000.00	FY 19/20
Supply and Delivery of Bottled Water, Water Coolers and associated consumables	£138,000.00	FY 19/20
Provision of Advocacy Services	£600,000.00	FY 19/20
Painting of Lighting Columns	£118,417.60	FY 19/20
Roads & Footways Reconstruction / Resurfacing Framework Agreement	£9,750,000.00	FY 19/20
Electrical Testing & Associated Works	£208,000.00	FY 19/20

Appendix 1

Project Title	Project Reference	Type	Contract Award Date	Contract End Date	Contract Value (Not including extension option)	Supplier Name
Waste Management - Greenhags Transfer Station and HWRC	DB 18 19 024	Services	01/04/18	30/11/18	£700,000.00	Lowmac Alloys
National care home contract	N/A	Services	01/04/18	31/03/19	£11,403,845.00	COSLA
Secure Email Gateway	DB 18 19 005	Services	20/04/18	19/04/18	£67,438.00	The Software Box
Design team services for Maidenhill Primary	DB 18 19 018	Services	01/05/18	01/08/21	£1,066,768.00	Gardiner & Theobald
Mini Comp - Microsoft Desktop Education All Language Licence	MC 18 19 008	Services	22/08/18	21/08/19	£124,470.00	Insight Direct (UK) Ltd
Framework Agreement for Housing Services Roof and Render Renewal Works 2018-22	CE 18 19 004	Works	24/09/18	31/03/22	£4,200,000.00	Procast Building Contractors Ltd
Grounds Maintenance	CE 18 19 005	Services	01/10/18	01/02/19	£240,000.00	Nurture
Provision of GVW Hotbox	DB 18 19 010	Services	01/10/18	30/09/19	£72,020.00	B&B contracts
Processing of Co-mingled Organic Green and Organic Food Waste	DB 18 19 015	Services	01/11/18	31/10/22	£529,000.00	GP Recycling Ltd
Provision of Pest Control Services	DB 18 19 021	Services	01/11/18	31/10/20	£62,000.00	Graham Environmental

Mini Competition Design Team for Aurs Road Upgrade and Realignment	MC 18 19 009	Services	09/11/18	18/11/21	£939,143.45	Peter Brett Associates LLP
Provision of Window Cleaning Services - Framework	CE 18 19 013	Services	19/11/18	18/11/21	£66,000.00	Caledonia Maintenance Services Ltd
Supply, Implementation & Support of Finance, Procurement	CE 18 19 012-1	Services	26/11/18	25/11/23	£937,042.80	Capita Secure Information Solutions Ltd
Mini Competition – Supply & Delivery of Personal Protective Workwear (PPE)	MC 18 19 004	Goods	01/12/18	30/11/20	£254,000.00	Lion Safety
Mini Competition - Replacement of Corporate Backup and Restore Solution	MC 18 19 010	Services	03/12/18	02/12/21	£177,393.00	NVT Group Ltd
MTC for Asbestos Surveys, Sampling, Analysis and Clearing Procedures 2018-20	CE 18 19 024	Services	17/12/18	16/12/20	£154,535.68	Life Environmental Services Ltd
Provision of Business Engagement Partner - Framework	CE 18 19 023	Services	01/01/19	31/12/23	£1,240,000.00	Verg Communities First The Lennox Partnership Greenhouse Community Barnardo's RPL Marketing Sixth Sense Trading Ltd

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Purchase of Laundry Equipment	DB 18 19 025	Goods	01/01/19	31/12/24	£194,628.00	JLA
Audio Visual Equipment	MC 18 19 019	Goods	11/02/19	29/03/19	£147,320.00	SSUK Ltd
Cashless Catering Replacement for Schools	CE 18 19 021	Services	01/03/19	29/02/24	£340,000.00	Cash Registers (Buccleuch)
Supply, Implementation & Support of HR & Payroll	CE 18 19 012-2	Services	19/03/19	19/03/21	£536,823.00	Midland HR
Transport School Children with ASN and/or Medical Needs With Escorts Where Required	CE 18 19 014	Services	15/08/18	30/06/23	£1,300,000.00	Graco Eastwood Mearns Midicab Co TW Bradley Contracts

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Appendix 2

Community Benefits from City Deal and Major Capital Programme 2018-19				
Benefit Category	East Renfrewshire City Deal	BAM Construction Maidenhill PS	CCG Council House Construction	Fleming Barrhead Foundry Major Refurbishment Works
New Entrants – Priority Employability Groups	1	1		
New Entrants – no relevant experience	2	2	1	1
New Start - Apprentice or Graduate	1	4	1	
Completed or Progressed Apprentice	2	7		
Work Experience Placement (16 + years of age)	3	4	2	2
Work Experience Placement (14 - 16 +years of age)	2	1		
Careers Event	12	8	1	
Site Visit, School or Further Education Engagement	11	8		2
Contractor/Sub Contractor/Specialist Training Qualifications	2	6		
Supply Chain Briefing with SME's	5	4		
Financial Support for a Community Project	£4,000	£1,000	£1,500	
Non-Financial Support for a Community Project	6	1		
Business Mentoring for an SME		4		
Voluntary Community Benefit	5			1

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CORPORATE PROCUREMENT



CORPORATE PROCUREMENT STRATEGY

2019 - 2022

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SECTION 1 INTRODUCTION

Section 15 of the Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, to prepare and publish a Procurement Strategy.

This Procurement Strategy sets out the vision, objectives and actions which will govern procurement activities for East Renfrewshire Council for the period 2019-2022.

The Council's key procurement objectives reflect both national and local policies and our aim is to build on our procurement model and Category Management approach to deliver strategic procurement outcomes for the Council by focusing improvement on the five key procurement capabilities:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

This strategy will ensure Corporate Procurement supports our Services to deliver efficiently and effectively, adding value and professional expertise whilst ensuring compliance with procurement legislation.

Throughout the period of this strategy we will review and report upon our performance through our Annual Procurement Report.

SECTION 2 PROCUREMENT VISION

Our Vision for Corporate Procurement in East Renfrewshire is:

“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”

SECTION 3 STRATEGY RATIONALE AND CONTEXT

East Renfrewshire Council's vision for the future is to be a “modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better”. The Council has 5 Strategic Outcomes where we are working across East Renfrewshire to achieve best Outcomes for:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People and People with Long-Term Conditions

In order to deliver on these 5 Strategic Outcomes, 5 Capabilities have been identified to provide the necessary skills required. These are:

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

As a Corporate function, Corporate Procurement can play an important role in achieving the Council's Strategic Outcomes and provide key skills contributing to the 5 Capabilities as detailed below:

Prevention – we will collaborate with Services across the Council with a focus on preventing poor outcomes for our residents and providing planned rather than reactive services. We will seek to maximise opportunities for collaboration and using an evidence based approach to designing services.

Community Engagement – we will utilise innovative approaches to engage our communities and to prioritise the allocation of resources. We will explore ways in which contractors, commissioned partners and communities can work in partnership with us to deliver outcomes.

Data and Evidence – we will utilise spend data, market analysis and build positive relationships and networks with key stakeholders to ensure an evidence based approach to strategic procurement and identifying efficiencies.

Modernising How We Work - we will focus on modernising our processes to avoid unnecessary approvals, duplication and manual processes. We need to ensure Corporate Procurement meets the current and future needs of the Council and greater focus will be placed on Contract and Supplier Management to ensure best value is achieved from our contracts throughout their lifecycle.

Digital – we will harness the potential from the new “Core Systems” and ensure that the full purchase to pay processes throughout the Council are modern, digital and efficient.

The Council's previous Procurement Strategy 2017/18 was closely aligned with the Council vision and requirements of the Scottish Government. This delivered a number of achievements, including:

- Completion of a Procurement Review which included in-depth interviews with senior stakeholders across the Council to set the direction for the procurement improvement programme.
- Participation on national and regional strategic working groups including those hosted by Scotland Excel, the Scottish Government and City Deal
- Amendments to Contract Standing Orders and Contract Terms and Conditions to support improved procurement practices across the Council
- An annual review of spend and use of Public Contract Scotland portals including PCS-Tender to analyse contract data
- Extensive involvement in specification development for procurement module within the new finance and procurement system and work underway to develop an online central contract register
- Development of the Contract Strategy document to include sustainable considerations and capturing and reporting of Community Benefits through City Deal

SECTION 4 - STRATEGIC AIMS AND OBJECTIVES

The Procurement Strategy 2019-2022 is focused on our five key procurement capabilities of:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

The following section details the aims, actions and expected outcomes from this focussed approach:

<p>Leadership and Stakeholder Management</p> <p>Aim: Through identifying and building relationships with key strategic and tactical stakeholders across the organisation procurement can build an understanding of current and future requirements and add value as part of a category management approach.</p> <p>Actions</p> <ul style="list-style-type: none"> • Develop and deliver an on-going Stakeholder Engagement Plan for Procurement incorporating key internal strategic and tactical stakeholders • Implement training and development opportunities for Corporate Procurement in line with our benchmark against the national Procurement Development Framework • Develop and maintain user friendly, plain English guidance for use by purchasing departments • Deliver a revised procurement intranet page presenting key information, templates and communication in a user-friendly way <p>Outcomes</p> <ul style="list-style-type: none"> • A full understanding of the procurement requirements of Services which will facilitate improved project management and provide an opportunities to focus on demand management and contract and supplier management. • A Corporate Procurement team with the skills and capability required to meet the current and future needs of the Council • Improved Communications and flow of information between Corporate Procurement and Council Services

<p>Compliance and Governance</p> <p>Aim: Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, fair and ethically traded goods and services, community health and wellbeing and animal welfare in procurement of food.</p> <p>Actions</p> <ul style="list-style-type: none"> • Fulfilment of the statutory obligations imposed by the Procurement Reform (Scotland) Act 2014, the Public Contract (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016. • Ensuring Contract Standing Orders, Council policies and guidance reflect the legislative requirements • Maintaining procurement template documents in line with legislative changes and best practice • Introduce Standard Operating Procedures for key processes and systems used by the Corporate Procurement team.

<p>Outcomes</p> <ul style="list-style-type: none"> • Procurement processes and documentation in place to meet legislative requirements and reviewed regularly to meet requirements of changing environment • Compliance with statutory and regulatory requirements and reduction in the risk of legal challenge. • Consistent and streamlined approach to procurement processes and systems.
<p>Strategic Procurement</p>
<p>Aim: To deliver a category management approach to strategic procurement which supports a commercial focus across the organisation and identifies savings and opportunities throughout the full procurement journey.</p>
<p>Actions</p> <ul style="list-style-type: none"> • Develop and implement a workload planning tool to manage capacity and resource requirements of Corporate Procurement and use this to monitor and review category alignment for the procurement team • Develop a strategy for the future direction of Contract and Supplier Management across the Council • Develop a strategy for the future direction of Corporate Procurement to meet the future needs of the Council • Category Managers increasing their commodity knowledge through building relationships and taking advantage of collaboration and networking opportunities • Council representation on key local, regional and national working groups including those hosted by Scotland Excel and Scottish Government • Increasing use of spend data analysis, market awareness and benchmarking to design innovative and competitive tenders • Use of spend analysis to identify opportunities for savings and efficiencies through procurement
<p>Outcomes</p> <ul style="list-style-type: none"> • Procurement team will have the capacity to meet the needs and requirements of services through effective workload planning • An evidence based understanding of the future strategic direction of Corporate Procurement and the Councils approach to Contract and Supplier Management • Corporate Procurement will have the tools, knowledge and skills required to support innovative procurement solutions and provide added value to Services
<p>Performance Reporting</p>
<p>Aim: To use an evidenced based approach to provide visibility of key performance information which supports informed decision making around the current and future direction of Corporate Procurement.</p>
<p>Actions</p> <ul style="list-style-type: none"> • Develop and agree approach to capturing and reporting the value achieved through Corporate Procurement in the form of a “Savings Principles” approach focusing on the identification, measuring and reporting of savings and benefits • Development and Implementation of an online central contracts register which can be used across the Council • Preparation of the Annual Procurement Report and strategy update. • Production of reports and dashboards to support relationships with Services leading to an increased focus on Demand Management • Monitoring of contract activity including performance, issues and risks • Collate management information to demonstrate procurement performance

Outcomes

- A robust process for savings capture and a full organisational awareness of the value provided by Corporate Procurement.
- Digital tools in place to support ease of access and interrogation of contract information, spend data and market analysis.
- Increased awareness across Services of spend information and how to use this to inform and understanding of demand management and decision making

Sustainable Procurement and Community Benefits

Aim: Focus on sustainable procurement including innovative use of Community Benefits clauses, economic development and consideration of social responsibilities

Actions

- To participate in Scottish Government “Grow Local” project which focusses on supporting local business
- Development of evaluation methods and improved capturing of community benefits in individual contracts.
- Increased use of community benefits clauses and reporting on the benefits realised
- Ensuring that all regulated procurement activity considers relevant social, economic and environmental issues and seeks to maximise opportunities for the benefit of our Council area.
- Improved collaboration across Services to focus on Community Benefits
- Supporting local business, SMEs and supported businesses through working with Economic Development partners and making processes streamlined, clear and accessible.
- Applying Fair Working Practices to appropriate procurements, encouraging the adoption of the living wage and subsequent monitoring throughout the contract period
- Promotion of Health and Safety legislation compliance by contractors and sub-contractors
- Promoting the highest standards of animal welfare and encouraging the procurement of fair, ethical and environmental friendly goods and services.

Outcomes

- Compliance with all elements of the sustainable procurement duty so that Council contracts deliver benefits not only for the Council but also for local business, SME’s, supported businesses, suppliers and their workforce.
- Measurable and demonstrable social, economic and environmental benefits to East Renfrewshire communities from the effect of sustainable procurement activity.
- Improved opportunities for SMEs, Third Sector Bodies or Supported Businesses to take advantage of business opportunities within the Council area.

SECTION 5 FINANCE

The procurement of goods, works and services in the Council is varied and ranges from low value low risk purchases to high value and complex procurements for the construction of infrastructure and buildings. In 2018/19, the Council spend by Directorate is detailed in the table below.

Directorate Description	Net Aggregate Spend
HSCP	£37,449,864
Environment	£31,094,418
Capital	£28,401,958
Education	£13,223,830
Corporate / Chief Executives	£4,807,942
Total	£114,978,012

The Scottish Procurement Information Hub also records this spend information and a full breakdown across all category areas is shown at **Appendix A**.

It is the role of Corporate Procurement to support activities which encourage and provide opportunities for businesses located in the East Renfrewshire Council area and particularly Small to Medium Enterprises (SME's). Data from the Scottish Procurement Information Hub shows in 2018/19 the Council spent £10.6m with businesses who are located in East Renfrewshire. Data also shows that 48% of East Renfrewshire Council spend was with SME's. This Strategy will see a continued focus on improvement in this area (Scottish Procurement Information Hub).

The Council is currently implementing a number of a new "Core Systems" which will provide significant benefits to Corporate Procurement, with the ability to provide a greater level of interrogation and analysis of spend data. These systems will also allow us to improve our internal processes and reporting as well as allow to work with Services to exploit opportunities for innovative approaches and greater efficiencies in service deliver. Corporate Procurement have been extensively involved in the specification of the procurement elements of new systems and it is vital that their full functionality is harnessed to allow more detailed reporting of performance of this Strategy going forward.

SECTION 6 IMPLEMENTATION, MONITORING AND REPORTING

This new Procurement Strategy 2019-2022 introduces a new vision for Corporate Procurement which is articulated in our 5 new procurement capabilities detailed in Section 4.

Duties under The Procurement Reform (Scotland) Act 2014 require the Council to develop and review the Procurement Strategy annually. In addition to this mandatory Procurement Strategy and to meet regulatory requirements, the Council must now also prepare and publish an Annual Procurement Report disclosing how its procurement activity has complied with its published procurement strategy.

The Procurement Reform Act (Scotland 2014) lists the minimum requirements that an Annual Procurement Report should contain and advises that the report must include:

- A summary of the regulated procurements for the financial year and of the regulated procurements the authority expects to commence in the next two financial years;
- A review of whether procurements have complied with the contracting authority's procurement strategy;
- A summary of any community benefit requirements imposed as part of a regulated procurement and any steps taken to facilitate the involvement of supported businesses in regulated procurement

Corporate Procurement will therefore publish the Council's Annual Report for 2019/20 in October 2020 and this will also include a revised and updated version of the Procurement Strategy.

In addition to these internal procedures for the monitoring, reviewing and reporting on the Procurement Strategy, Corporate Procurement has benefited from external assessment through the Procurement and Commercial Improvement Programme (PCIP). The result from the most recent assessment undertaken in December 2018 was an improved score of 66% and a number of areas for improvement identified have been incorporated into the actions and 5 key capabilities identified in this Strategy. Successful implementation of the Corporate Procurement Strategy will put East Renfrewshire Council in a strong position for further improvement in the next round of PCIP assessments.

SECTION 7 PROCEDURES, POLICIES & PROCUREMENT TOOLS

The Council operates against a backdrop of policies and procedures to aid the delivery of Council activity in compliance with legislation and with local and national policies. The Council relies on the following Procedures, Policies and Procurement Tools to support its procurement activities:

Procedures

As a contracting authority, East Renfrewshire Council must make arrangements to ensure the proper conduct of business, including conformance to standards of good governance and accountability with regard to procurement.

To ensure Procurement Strategy Key Objectives are delivered effectively, there remains a continuing need to recognise the requirement for and execution of an appropriate Council governance framework.

The presence of this framework will enable Key Objectives to be achieved through a decision making process which ensures appropriate approvals are in place.

In adhering to this governance framework, the Council ensures that its regulated procurements are carried out in compliance with its duty to treat relevant economic operators equally and without discrimination and that these procurements will be undertaken in compliance with its duty to act in a transparent and proportionate manner.

In maintaining this governance framework, the Council will ensure that a continuing focus remains in relation to updating, and appropriately applying the following procedural governance documents;

Contract Standing Orders

The Council's Standing Orders Relating to Contracts set out how contracts for all goods, services and works will be made by the Council.

The purpose of these Standing Orders is to ensure that contracts are appropriate for their purpose, provide the right balance between price and quality, and are procured in an open way that demonstrates probity and compliance with the Council's policies.

The Standing Orders are applied having regard always to the EU Treaty Principles of equal treatment, non-discrimination, proportionality and transparency. All Council employees must treat tenderers equally and without discrimination and act in a transparent and proportionate manner at all times.

The Standing Orders also set out the Council's obligations in ensuring that the suppliers and service providers it contracts with comply with all statutory requirements in respect of ensuring equal opportunity in employment under the provisions of the Equality Act 2010 and with all current Health and Safety legislation and approved Codes of Practice, as may be applicable to the contract. Promotion of this compliance is in line with the requirements of the Procurement Reform (Scotland Act) 2014.

East Renfrewshire Council Standing Orders Relating to Contracts

<http://intranet.erc.insider/search?q=contract+standing+orders&returnarticleid=1&articleaction=newsearch>

Financial Regulations

The Council's Financial Regulations set out the framework for managing the Council's financial affairs. They seek to ensure that the Council conducts its affairs in a way that complies with legislation, accepted accounting procedures and professional good practice.

The Council's Financial Regulations apply to every employee of the Council or anyone acting on its behalf. All employees have a responsibility to provide for the security of assets under their control, and for ensuring that the use of these resources is legal, properly authorised, and provides Best Value.

East Renfrewshire Council Financial Regulations

<http://intranet.erc.insider/CHttpHandler.ashx?id=5110&p=0>

Scheme of Delegation

The Scheme of Delegation is intended to facilitate the effective undertaking of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, in order to ensure an efficient running of day to day operations and to allow the Council to carry out its functions and achieve its Strategic Objectives.

The Council's approach to delegation has been influenced by its commitment to facilitate participation in the decision making process and to delegate to Chief Officers. The result is that the Council has reserved very few powers to itself and has agreed extensive delegations to officers.

Policies

The Council has clear Strategic Objectives set out within the Outcome Delivery Plan and a strong focus on monitoring and reporting performance. The Strategic Objectives are supported by each Service through their individual Service and Improvement Plans.

To further ensure that the Council's regulated procurements contribute to the carrying out of its functions and the achievement of its purposes, this Procurement Strategy, in line with its Key Objectives, will be delivered in accordance with the Outcome Delivery Plan, the individual Service and Improvement Plans and a set of national and local policies and strategies. These are embedded within existing procurement processes.

East Renfrewshire Council Outcome Delivery Plan 2018-21

<https://www.eastrenfrewshire.gov.uk/odp>

Community Plan including Fairer East Ren

<https://www.eastrenfrewshire.gov.uk/communityplanning>

Sustainable Procurement Policy

The Council's approach to sustainable procurement is rooted within the procurement process to promote a commitment to sustainability and achievement of Best Value for the Council. In an ongoing effort to embed sustainability issues in procurement exercises, three strands of sustainability are explored at the contract strategy stage; environmental, social and economic factors along with a consideration on how the Council can facilitate the involvement of SMEs, third sector bodies and supported businesses in procurement exercises, as well as a promotion of innovation in the design and delivery of services.

Community Benefit Requirements – The Council will adhere to all statutory guidance and legislation on the use of Community Benefits, ensuring that all regulated procurements include

Community Benefits clauses where relevant. This policy reflects East Renfrewshire Council's approach to sustainable procurement. It is intended that it will apply to all contracts for works, goods or services in which the Council has an interest. The environmental opportunities checklist will be completed for all contracts valued in excess of £25,000.

East Renfrewshire Council Sustainable Procurement Policy
<http://www.eastrenfrewshire.gov.uk/sustainable-procurement>

Living wage

Whilst there are legal restrictions on requiring payment of the living wage, suppliers are encouraged to pay the living wage to their employees. The fair working practices question that promotes a healthy, happy and motivated workforce is included in all appropriate contracts.

The Council follows the lead of the Scottish Government by promoting the payment of the Living Wage to persons involved in fulfilling procurement requirements by considering, where relevant and proportionate, when Fair Working Practices should be addressed in contracting opportunities. The Council will comply with the Statutory Guidance on the Selection of Tenderers and Award of Contracts – Addressing Fair Work Practices, including the Living Wage, in Procurement.

Health and Safety:

The Council ensures that appropriate health and safety requirements are included in the evaluation for all its procurements, in line with all the relevant legislation. Thus ensuring that successful suppliers are fulfilling their legal obligations.

Consulting and Engaging with Stakeholders

The Council continues to consult and engage with those affected by our procurement activities through the development of contract strategies, in advance of the procurement exercise and through our focus on identifying opportunities for collaborative Contract and Supplier Management. Liaison during both the development and feedback stages of projects, ensuring that all opinion and feedback is considered when resulting agreements are implemented and executed, ensures continuous improvement in the delivery of services and allows the Council to understand the impact of our procurement activity.

Animal Welfare:

The Council recognises the requirement to find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents Best Value whilst improving the health, wellbeing and education of communities in our area. Through Procurement's collaboration with our internal stakeholders and with Scotland Excel, the Centre of Procurement Expertise for Scotland's local government sector, we will work to put in place affordable contracts which meet the nutritional requirements for food, for all users of our catering services, whilst promoting the highest standards of animal welfare, in accordance with all statutory guidance and legislation. The Council is committed to including requirements that promote animal welfare in all relevant contracts. The Council will work with Scotland Excel to ensure that the contracts the Council are participating in promote the highest standards of animal welfare.

Fairly and ethically traded good and services

For each regulated procurement exercise, at the contract strategy development stage, consideration will be given to the sourcing of goods and services that are ethically traded. In line with the Council's Strategy and where ethically traded goods and services are available, the Council will work with all relevant stakeholders and take a Best Value approach when applying fair and ethically trading principles in procurement activities.

A number of other policies are relevant to or impact on the Council's procurement activities. These include:

- Gifts, hospitality and other inducements
- Conflicts of interest declaration
- Suppliers charter
- Council Health & Safety Policy
- Glasgow City Region City Deal Procurement Strategy
<http://www.glasgowcityregion.co.uk/CHttpHandler.ashx?id=16853&p=0>
- Glasgow City Region City Deal Sustainable Procurement Policy
<http://www.glasgowcityregion.co.uk/CHttpHandler.ashx?id=16877&p=0>

Procurement Tools

Key tools that the Council has embedded into the procurement process, which help contribute to compliance with the mandatory requirements under the Procurement Reform (Scotland) Act 2014, are detailed below.

- [Procurement Journey](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland – Tender](#)
- [Information Hub](#)

National policies, legislation, and tools relating to the Scottish Government's reform programme which help drive best practice, deliver savings and improve the procurement capability can be found by clicking the following links (this is not an exhaustive list):

- [Scottish Model of Procurement](#)
- [Changes to European Directives](#)
- [Public Procurement Reform Programme](#)
- [Suppliers CharterEU Procurement Thresholds](#)
- Prioritisation toolkit, sustainability toolkit
- Flexible framework
<http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/Sustainability/ScottishProcess/SustainableProcurementTools>
- [PCIP](#)

SECTION 8 STRATEGY OWNERSHIP AND CONTACT DETAILS

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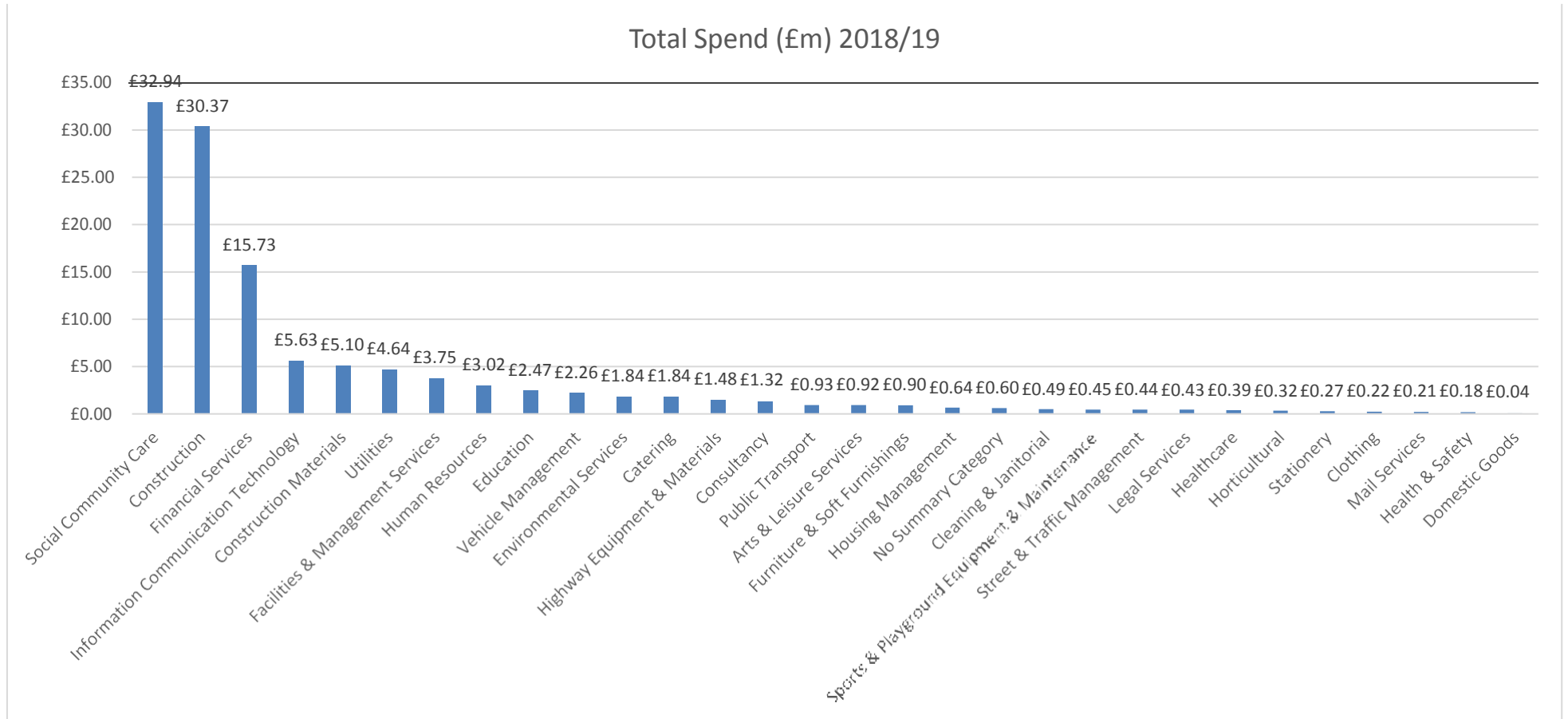
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APPENDIX A – East Renfrewshire Council Spend 2018/2019 (Scottish Procurement Information Hub)



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