

# PROCUREMENT STRATEGY

**2023 - 2026**

**Updated September 2024**



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## **SECTION 1 INTRODUCTION**

This document updates the Council's current Procurement Strategy covering the period April 2023 to March 2026. The strategy seeks to build on progress to date, capture and build on expertise and examples of best practice which are available within the Council, locally and nationally from the public, private and third sectors.

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 2023-2026.

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 five key procurement aims:

- Legal Compliance and Governance
- Economic Growth, Environmental, Social and Sustainability
- Strategic Procurement to deliver Best Value & Continuous Improvement
- Performance Reporting to drive performance & support savings delivery
- Contract & Supplier Management

This strategy will ensure 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 THE LOCAL EAST RENFREWSHIRE CONTEXT**

East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness, and enhancing the area in which we live, now and for the future. Our procurement focus is on delivering better outcomes for all our customers and residents across East Renfrewshire, while managing the significant challenge of increasingly complex local service demands against a backdrop of decreasing public sector funding.

In this challenging climate, exacerbated by global events we will focus on working closely with our supply chains to ensure vital front line services continue to be delivered by working smarter, more resourceful, and find innovative solutions to meet the challenges ahead.

The Council spends over £160m on supplies, services and works. This sum is governed by the legislative framework which includes:

Directives  
Regulations including Scottish Procurement Policy Notes  
Case Law  
Council Standing Orders Relating to Contracts  
Financial Regulations

### **SECTION 3 PROCUREMENT VISION & MISSION STATEMENT**

The following Procurement Vision and Mission Statement has been developed to support the Council's vision for the future, while continuing to maximise procurement opportunities that enable and support continuous improvement and the delivery of best value.

Our Vision for 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.*

Our Mission Statement is:

*The procurement team will provide an efficient and effective procurement service that delivers value for money, continuous improvement and savings where possible from all goods, works and services required. We will support the Council's strategic vision and aims by providing quality advice to deliver lawful contracts that include but are not limited to community benefits, sustainability, social value, economic recovery, net zero.*

### **SECTION 4 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.

The Council also has outcomes relating to Customer, Efficiency and People which are captured under the Strategic Outcome "Our Council is forward thinking and high performing". Procurement has an important role to contribute to the following:

- Customer: Satisfied customers access services that meet their needs
- Efficiency: Our physical, information and financial assets are efficiently managed
- People: We have engaged employees who are motivated to deliver our outcomes.

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

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

Procurement can play an important role in supporting services to deliver against 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 achieve best value for the communities and people we service by utilising 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 will ensure 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 Council's 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 2019/22 was closely aligned with the Council vision and requirements of the Scottish Government. This delivered a number of achievements, including:

- Procurement activities undertaken in accordance with the applicable procurement legislation, the Council's Standing Orders Relating to Contracts and where appropriate following any best practice guidance issued by the Scottish Government;
- Procurement compliance, visibility and transparency embedded;
- Participation on national and regional strategic working groups including those hosted by Scotland Excel, Scottish Procurement, City Deal and Crown Commercial Services;
- Development and implementation of Standard Operating Procedures to ensure the team work to common principles and rules, but outputs are tailored to meet the needs of the specific category, reflecting the service area, stakeholder needs and the marketplace to ensure best value achieved;
- Procurement Contract Strategy and peer review for all goods, works and services ensuring an independent focus for lessons learned and shared in order to deliver continuous improvement in procurement activities;
- Continuous review of spend and use of Public Contract Scotland portals including PCS-Tender to issue contract opportunities online in a secure and efficient manner for suppliers;
- Design and implementation of a central online contracts register simplifying how data is recorded and reported to support contract management and decision making.

## SECTION 5 - STRATEGIC AIMS AND OBJECTIVES

The Procurement Strategy 2023-2026 has the following aims which support the Scottish Government's programme to '*deliver procurement that improves public services for a prosperous, fairer and more sustainable Scotland*':

- Legal Compliance and Governance
- Economic Growth, Environmental, Social and Sustainability
- Strategic Procurement to Deliver Best Value & continuous Improvement
- Performance Reporting to Drive Performance & Support Savings Delivery
- Contract & Supplier Management

The following section details the aims, actions and expected impact from this focused approach:

<b>LEGAL COMPLIANCE AND GOVERNANCE</b>
<p><b>Aim:</b> Ensure procurement procedures reflect developments in legislation and government guidance and support stakeholders to mitigate risk and deliver compliant contracts providing probity of Council spending.</p>
<p><b>Actions</b></p> <ul style="list-style-type: none"><li>• Implement the statutory and legislative requirements derived from The Procurement Reform (Scotland) Act 2014 and The Public Contracts (Scotland) Regulations.</li><li>• Ensure procurement activities reflect and support the Council's Strategic Outcomes.</li><li>• Take advantage of aspects of the procurement legislation that provide procurement with greater flexibility and scope to deliver best value from Procurement activity.</li><li>• Develop and maintain Standard Operating Procedures to ensure common principles, rules and toolkits are applied.</li><li>• Implement training and development opportunities for procurement in line with our benchmark against the national Procurement Development Framework.</li><li>• Develop and deliver a focused programme of procurement training across the Council.</li><li>• Consult and engage with stakeholders throughout the procurement lifecycle, to ensure our procurements properly reflect need.</li></ul>
<p><b>How we will do it and Impact</b></p> <ul style="list-style-type: none"><li>• Protect the Council from exposure to challenge or legal action by demonstrating ownership and accountability within procurement activities, with structured governance and assurance, to ensure clear, timely and auditable decision making.</li><li>• Adapt our internal procedures, processes and documentation, where required to reflect the most up to date requirements.</li><li>• The procurement team will have the skills and capability required to meet the current and future needs of the Council.</li><li>• Support training and development of project leads, specification writers, contract and supplier managers to maintain and raise standards in procurement activities.</li><li>• Build on expertise within service areas ensuring lessons are learned and shared, in order to ensure continuous improvement in our procurement activities.</li><li>• Work with Legal services to review and improve East Renfrewshire Council standard contract terms.</li></ul>

## Progress Update September 2024

- The Procurement team has continued to fulfill its obligations in relation to Procurement legislation and follow the Government's procurement guidance in the context of supporting supply chain resilience by working proactively with our suppliers and key partners to closely monitor the impact of global events on economic recovery, market pricing and availability.
- Provide user friendly procurement processes and plain English Standard Operating Procedures for all employees involved in the procurement process.
- Contract Standing Orders updated in response to stakeholder engagement and Scottish Procurement Policy Notes.
- Spend analysis carried out to identify spend that is to be subject to a competitive procurement exercise.
- Category Management model used to work with service teams to award compliant contracts.
- All elements of the contract strategy and tender process are reviewed and appropriately authorised to ensure legal compliance and delivery of best value.

## ECONOMIC GROWTH, ENVIRONMENTAL, SOCIAL AND SUSTAINABILITY

**Aim:** Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, circular economy, whole life costing, community health and wellbeing and early involvement of SMEs, Social Enterprises, Supported Businesses and Third Sector.

### Actions

- Ensure compliance with the Procurement Reform (Scotland) Act 2014 in relation to the Sustainable Procurement Duty.
- Embed sustainability in all regulated procurement activities including consideration of Fair Work First Principles, Equalities, Community Benefits, promoting payment of the Living Wage, Prompt Payment in the Supply Chain, Circular Economy initiatives and Whole Life Costing.
- Design whenever we can, each procurement in a way that encourages participation from SMEs, Third Sector and Supported Businesses to develop our local communities social, environmental and economic wellbeing.
- Promote to internal services the benefits of sustainable procurement and the use of the Scottish Government's Sustainability Toolkit and eLearning modules.
- Work closely with Economic Development on Community Wealth Building, harnessing our spending power to buy more locally where possible.
- Provide support, advice and sign posting to local businesses improving their ability to respond to procurement activities and also their economic recovery.
- Work closely with the Get to Net Zero Team to identify opportunities within our procurement work plan to contribute to the Council's Action Plan.

## **How we will do it and Impact**

- SME's, Third Sector, Social Enterprises, Supported Businesses and the local business community will be supported with advice and guidance enabling them to engage commercially with the Council.
- Support services to utilise the Scottish Government's sustainable procurement tools, prioritisation assessment, sustainability test and life cycle mapping.
- Optimise the Community Benefits process by working more closely with relevant internal stakeholders and placing greater emphasis on ensuring benefits for East Renfrewshire residents are delivered.
- Training and awareness sessions for internal stakeholders on sustainable procurement with emphasis on the application of circular economy, whole life costing, early involvement of SMEs, Social Enterprises, Supported Businesses and Third Sector organisations.
- Consider sub-dividing tenders into lots, giving consideration for local businesses, SMEs, Third Sector Organisations and Supported Businesses.
- Increasing 'Meet the Buyer' events, workshops and awareness of contract opportunities.
- Explore the use of faster payment options for small businesses.
- Apply the Fair Work First criteria into all relevant tender activities.
- Include in all relevant tender activities Living Wage criteria to increase the number of socially responsible businesses delivering Council contracts.
- If the market allows for it, for goods/services under £50,000 and for works under £2million, SMEs and local suppliers will be invited to bid for these contracts.
- Simplify tender documents where possible to ensure the procurement process is proportionate and easy to navigate.

## **Progress Update September 2024**

- Procurement are working in partnership with Economic Development to adopt a Community Wealth Building approach to progressive procurement.
- We continue to engage the local supply base, SME's, third sector, charity and voluntary organisations by running appropriate accessible events in person and online including the annual Supplier Development Programme "Meet the Buyer Event". Focused 1-1 events are being planned for 2024/25.
- Sustainable Procurement Policy in place and all aspects of sustainable procurement maximised in appropriate contracts.
- Procurement work closely with the Council's Climate Change Officer to tackle Climate Emergency and consider Climate Change Impact Assessments for all relevant contracts.
- Living Wage and Fair Work First included in contracts to ensure the Council contracts with responsible suppliers.
- Community Benefits designed to maximise opportunities for apprenticeships, employability and training, assisting business start-ups, helping to develop business growth.
- "Community Benefits Wishlist" in place to encourage local community to suggest local improvements resulting from Council contracts.
- Application of relevant and proportionate criteria to technical scoring to ensure environmental impacts are considered appropriately in tender activities.
- Prompt payment clauses are embedded within our contractual terms with suppliers required to apply the same terms and conditions to their sub-contractors.



## **STRATEGIC PROCUREMENT TO DELIVER BEST VALUE & CONTINUOUS IMPROVEMENT**

**Aim:** To deliver a strategic procurement service by working closely with key stakeholders supporting the Council budget savings and driving a commercial focus across the organisation.

### **Actions**

- Work closely with departments to identify opportunities and challenge current models of delivery by being involved in conversations from the outset.
- Challenge the demand for goods and services and seek to rationalise core requirements where possible.
- Category Managers trained and developed to their maximum potential, thereby offering a more strategic and commercial approach to procurement activities.
- 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 Procurement.
- Increasing use of spend data analysis, market awareness and benchmarking to design innovative and competitive tenders.
- Ensure all procurement activity is carried out in a transparent, consistent and accountable manner, in accordance with procurement legislation and the Council's internal governance.
- Review spend data to identify opportunities for savings and identify off-contract spend. Work with services to ensure compliant contracts are put in place.
- Improve purchase to pay processes to strengthen controls, increase efficiency and provide useful information to key stakeholders.
- Continue to improve procurement performance across the Council as measured by the Scottish Government's Procurement & Commercial Improvement Programme (PCIP).
- Use the Scottish Government Procurement Competency Framework to establish the skills and competency levels required to fulfill the procurement team roles, identify where training is required and opportunities for in team coaching and mentoring.
- Review and update the Council's Contract Standing Orders to ensure that changes to Public Contracts Regulations are included.

### **Impact**

- Procurement team will work with services to ensure we hold an accurate current and future tender pipeline to enable efficient allocation of procurement resources.
- Procurement will continue to develop and improve the Council's procurement processes and support their adoption across the Council.
- Increase the capability of services to think and act commercially by working together.
- Strong supplier relationships and market awareness through adoption of the Council's Contract and Supplier Management model.
- Procurement will have the tools, knowledge and skills required to support innovative procurement solutions and provide added value to Services.
- Ensure the Council meets the requirements of the procurement Regulations and the fundamental principles of non-discrimination, transparency and proportionality.
- Procurement will drive innovation and best practice.
- Procurement will collaborate across the sector where possible to maximise opportunities and share best practice.

## Progress Update September 2024

- Strong stakeholder relationships have ensured an improved understanding of the procurement pipeline in order to support the Chief Procurement Officer to manage the capacity of the service effectively.
- All elements of the contract strategy and tender process are reviewed and appropriately authorised to ensure legal compliance and delivery of best value.
- The Chief Procurement Officer and Category Managers are represented on and attend a number of internal and external forums to share best practice.
- Procurement undertake annual refresher training on spend analysis using the Scottish Procurement Information Hub and attend courses with Scotland Excel.
- Procurement support services to identify opportunities for savings and improved practice.
- Implementation of 'lotting' strategies where relevant to maximize inclusion of Small and Medium sized Enterprises (SME's), third sector, charity and voluntary organisations within the tender process.
- Continual analysis of spend data ensuring informed decisions on how procurement activity within the organisation can be improved.
- Procurement work in partnership with Accounts Payable on Purchase to Pay improvement programme and Super User training.
- Continue to improve procurement performance across the Council as measured by the Scottish Government's Procurement and Commercial Improvement Programme (PCIP).
- Contract Standing Orders updated and training delivered.

## PERFORMANCE REPORTING TO DRIVE PERFORMANCE AND SUPPORT SAVINGS DELIVERY

**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 Procurement.

### Actions

- Develop and maintain the online central contracts register which is to be used across the Council.
- Preparation of the Annual Procurement Report and annual 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.
- Continue to utilise the procurement Intranet page to communicate information across the Council.
- Monitor and report on the use of the procurement module of the Finance and Procurement system to strengthen proper use across the Council.
- Respond to local and national reporting requirements.
- Contract Strategy documents will be used for all tendering activities to allow reporting on procurement decisions.

**Impact**

- A robust process for savings capture and a full organisational awareness of the value provided by 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 an understanding of demand management and decision making.
- Procurement will support services to use collaboratively developed national and sectoral systems and best practice tools to exploit sustainable outcomes and support national reporting.

**Progress Update September 2024**

- Embedded process in place for the tracking of benefits from procurement activity with savings opportunities presented to the Corporate Management Team for implementation.
- Procurement exceeded the rebate target of £46,000 by delivering £66,546 in the reporting period.
- Corporate Online Contracts Register and Dashboard in place giving easy access to contract data.
- Continue to maintain a procurement pipeline of expected and planned activities covering two financial years.
- Undertake benchmarking exercises to understand costs and identify most economically advantageous route to market.
- Generate value from use of collaborative contracts with other Councils, Scottish Government, Scotland Excel and other approved bodies.

**CONTRACT AND SUPPLIER MANAGEMENT**

**Aim:** Support services to take a proactive approach to contract and supplier management to achieve innovation and value for the Council and our residents.

**Actions**

- Procurement will provide a formalised method of monitoring supplier performance against contract requirements.
- Procurement will ensure there is clarity of roles and responsibilities by all parties relating to contract and supplier management.
- Support services to determine the level of management required based on size, value and risk of the organisation to help determine the frequency of supplier review meetings.
- Support services to monitor contract compliance against the terms of the contract and step in if contract failure is identified.
- Procurement will refine and continually review and update standard documentation in line with best practice across the public sector.
- Procurement will support services to realise estimated and planned savings to be captured through proactive contract and supplier management.
- Procurement will facilitate events to support suppliers to get tender ready and give them awareness of contract and supplier management requirements.

**Impact**

- Consistent approach adopted by using standardised agenda, minutes, action notes
- Adoption of standard balanced scorecard for measuring supplier performance which sets targets and includes a red, amber, green status indicator.
- Regular reviews of all high value and high risk suppliers to monitor contract performance, improve output, identify savings and transfer of knowledge.
- Suppliers will be encouraged to engage with local supply base and SME's through community benefit contract clauses.
- Supplier performance will be clearly documented to support lessons learned and to inform subsequent procurements for similar commodities in the future.
- Delivery of financial and non-financial benefits.

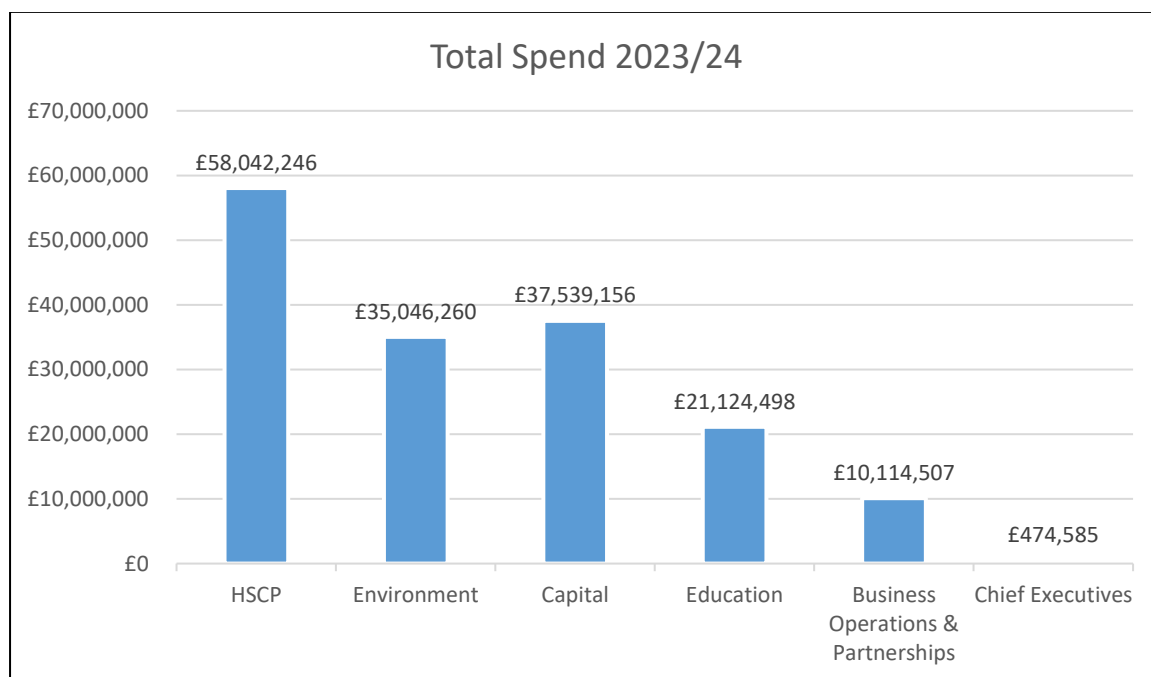
**Progress Update September 2024**

- Corporate model and standardised template documents in place to monitor supplier performance against contract requirements.
- Training delivered across the Council to support officers.
- Procurement Intranet pages updated with user focused documents to support officers involved in contract and supplier management.
- Procurement continue to support services to drive value through proactive contract and supplier management meetings.
- Continually review and update standard template documents in line with best practice across the Public Sector.

## SECTION 6 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 2023/24 the Council spend on procured goods and services by Directorate is detailed in the table below.

Goods and services is defined as receivable goods including but not limited to deliverables, supplies, equipment or commodities and services including assembling, labour, installation, training, inspection, maintenance and repairs. Works is defined as a contract including but not limited to building, construction, fabrication, completion, erection, fitting out, modification, renovation and alteration.

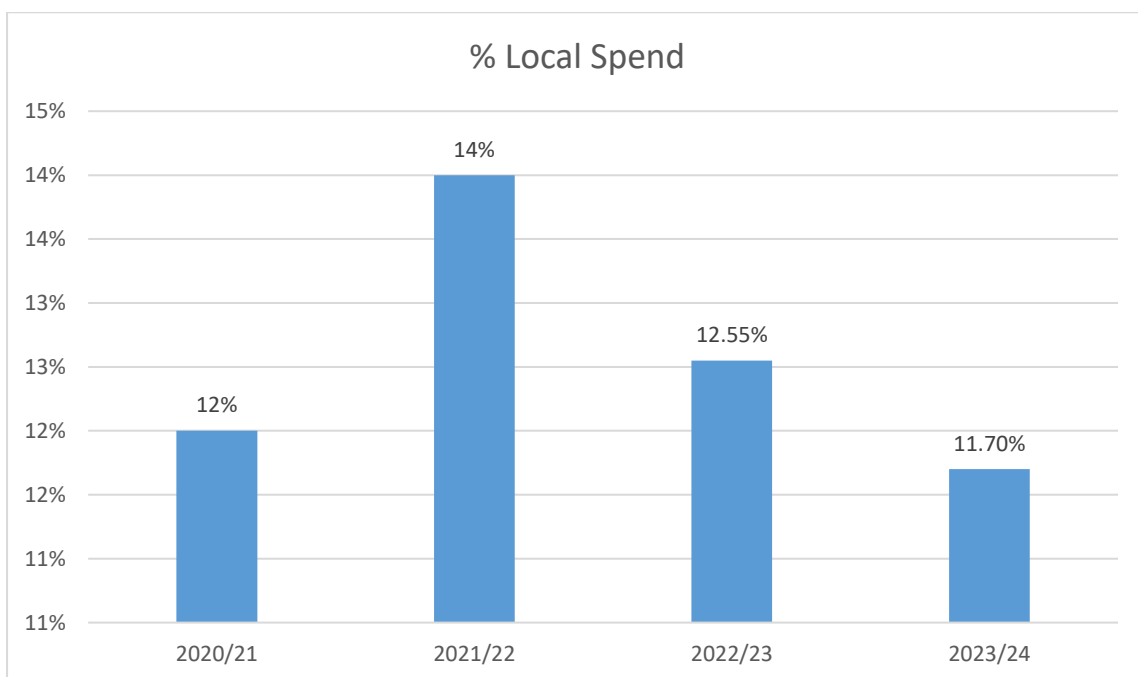
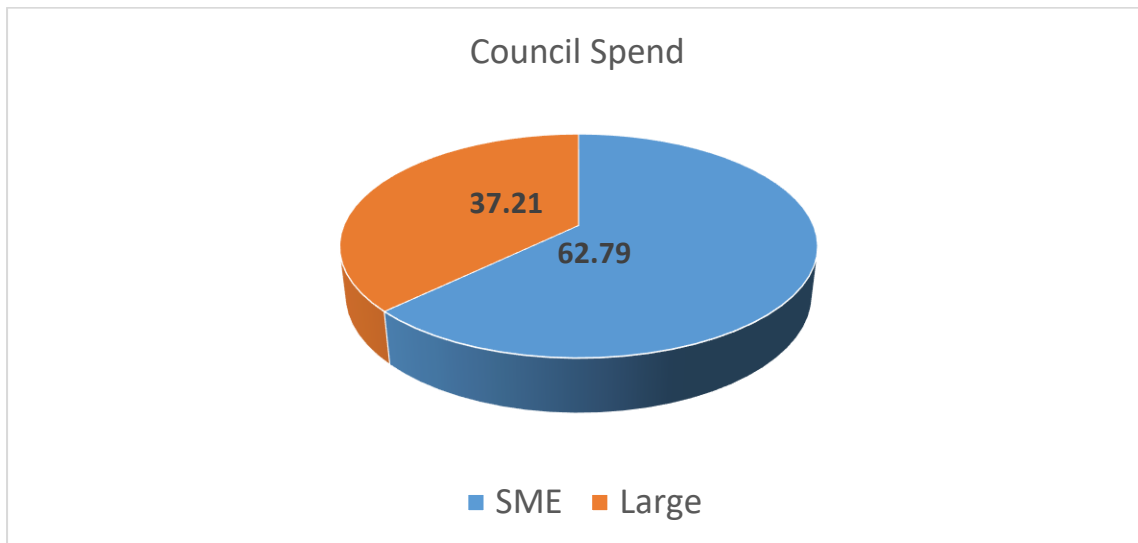


It is the role of Procurement supported by Economic Development to support activities which encourage and provide opportunities for businesses located in the East Renfrewshire Council area and particularly Small to Medium Enterprises (SME's).

Data from the Scottish Procurement Information Hub shows in 2023/24 Council spend was £13,059,424 with businesses who are located in East Renfrewshire. This is a drop of £2,940,576 compared to £16m in 2022/23.

A focused programme of work is underway between Procurement, Economic Development and partners including Business Gateway and Supplier Development Programme to encourage local suppliers to bid with the Council. Work in this area includes the Annual Meet the Buyer and local engagement activities to support bidders to get Tender and Quick Quote ready.

Data from the Scottish Procurement Information Hub shows that 62.79% of East Renfrewshire Council spend was with SME's.



The Procurement unit is committed to supporting and improving access to procurement opportunities for local, small and medium enterprises, voluntary organisations , third sector bodies, supported businesses and social enterprises. It is expected that the joint work underway will support getting the local percentage up for the next reporting period.

This Strategy will see a continued focus on improvement in this area.

## **SECTION 7 IMPLEMENTATION, MONITORING AND REPORTING**

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 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

Procurement will next publish the Council's Annual Report for 2023/24 in October 2024 and this will also include an update on work achieved under this Procurement Strategy.

In addition to these internal procedures for the monitoring, reviewing and reporting on the Procurement Strategy the Council's procurement performance is also subject to Procurement and Commercial Improvement Programme assessments (PCIP). Successful implementation of the Procurement Strategy will put East Renfrewshire Council in a strong position for further improvement in the next round of assessments.

The Council will publish this Procurement Strategy on our website, and will notify Scottish Ministers of the publication of our strategy.

## **SECTION 8 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 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*

<https://intranet.erc.insider/search?q=contract+standing+orders&go=Go&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=11444&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.

## **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. Full details of the Council's approach to Sustainable Procurement are incorporated in our Sustainable Procurement Policy which was approved in 2020.

**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. To further enhance the identification and capture of Community Benefits the Council also has a Community “wish list” to identify local priorities.

## **Living Wage**

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.

## **Fair Work First**

East Renfrewshire Council is committed to applying the seven Fair Work First criteria internally and in publicly funded supply chains. Fair Work First is the Scottish Government's policy for driving good quality and fair work in Scotland. Through this approach, East Renfrewshire Council is asking bidders to describe how they are committed to progressing towards adopting and how they intend to continue embedding the Fair Work First criteria:

1. payment of at least the real Living Wage;
2. provide appropriate channels for effective workers' voice, such as trade union recognition;
3. investment in workforce development;
4. no inappropriate use of zero hours contracts;
5. action to tackle the gender pay gap and create a more diverse and inclusive workplace;
6. offer flexible and family friendly working practices for all workers from day one of employment; and,
7. oppose the use of fire and rehire practice.

### **Modern Slavery**

The Council has adopted the Charter Against Modern Slavery which addresses modern slavery in the supply chain. The Council will focus attention on the key areas of Training and Awareness Raising, Tender Documentation, Ensuring Compliance and Reporting.

### **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.

### **Prompt Payment in the Supply Chain**

The Council shall comply with late payment legislation, which places a statutory duty on all public bodies to pay commercial debt within 30 calendar days of receipt of a valid invoice.

### **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
- Glasgow City Region City Deal Sustainable Procurement Policy

## **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](#)
- [Scottish Procurement 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):

- [Procurement Reform Update \(SPPN 1/2016\)](#)
- [Scottish Model of Procurement](#)
- [Changes to European Directives](#)
- [Public Procurement Reform Programme](#)
- [Scottish Sustainable Procurement Duty](#)
- [Procurement and Commercial Improvement Programme \(PCIP\) - Overview](#)
- [Public Sector Procurement - Suppliers Guidance](#)

## **SECTION 9 STRATEGY OWNERSHIP AND CONTACT DETAILS**

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## SECTION 10 - GLOSSARY

Term	Description
Annual Procurement Report	The Procurement Reform (Scotland) Act 2014 requires all contracting authorities obliged to publish a Procurement Strategy, to publish an Annual Procurement Report on its regulated procurement activities as soon as reasonably practicable after the end of its financial year.
Award	A decision to accept a tenderer's offer to supply/provide specified goods/services/works according to agreed terms and conditions, thereby creating a legally binding contract.
Best Value	The duty under the Local Government Act in Scotland 2003 to secure continuous improvement in the economy, efficiency and effectiveness with which they exercise their functions.
Brexit	An abbreviation for "British exit," referring to the UK's decision in a June 23, 2016 referendum to leave the European Union (EU).
Category Management	Procurement approach used within East Renfrewshire Council to manage categories of spend to increase efficiencies and expertise.
Circular Economy	A model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.
Collaboration	Cooperative joint working with another public sector organisation.
Community Benefits Clauses	Community Benefits Clauses provide a means of achieving sustainability in public contracts.
Contract Management	The process of monitoring the performance of a supplier to contract.
Contractor	The provider of any supplies, services or works under contract. Or, in the context of works, at any stage of the process.
Contract Strategy	A document that shows the preparatory thinking that is done about a procurement process, including sustainability considerations, stakeholders to be involved, risks etc.
Crown Commercial Services	An executive agency sponsored by the Cabinet Office to bring together policy, advice and direct buying, providing commercial services to the Public Sector.
Equality Duty	Compliance with the terms of the Equality Act 2010 and any guidance provided by the Scottish Ministers for local authorities to comply with the Public Sector Equality Duties.
Fair Work First	Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and

	across the public sector, where it is relevant to do so.
Procurement Commercial Improvement Programme (PCIP)	Annual assessment of public sector organisations that focuses on the policies and procedures driving procurement performance and the results they deliver.
Public Contracts Scotland (PCS)	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
Public Contracts Scotland – Tender (PCS-T)	The national eTendering system.
Procurement exercise	Full end to end procurement exercise documentation from strategy development to contract and supplier management.
Procurement Journey	Public procurement toolkit made available by the Scottish Government to support public sector procurement with guidance and templates on the procurement process when appropriate.
Purchase to Pay	Entire supply chain process, from goods receipt to payment process.
Quick Quote	Procurement method for lower value tenders, where the Invitation to Quote is sent to a set distribution list of suppliers rather than being publically advertised.
Scotland Excel	Scotland Excel is the Centre of Procurement Expertise for Scotland's local government sector.
Scottish Procurement	Directorate within the Scottish Government, carrying out procurements on behalf of the Scottish public sector.
Services/ Supplies/ Works	<p>A public service contract is a contract having as its object the provision of services.</p> <p>A public supply contract is a contract having as its object the purchase, lease, rental or hire purchase with or without an option to buy, of products.</p> <p>A public works contract is a contract having as its object a building or civil engineering project or piece of work.</p>
SMEs	Small and Medium Enterprises - The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Social Enterprises	Businesses whose primary objectives are social or “more than profit”.
Specification	The part of the invitation to quote or invitation to tender which details the nature and quality of the goods, services or works.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.

Standing Orders Relating to Contracts	The set of rules governing the procurement and financial regulations with which the Council must comply, in terms of the Local Government Scotland Act 1973.
Supplier	An entity who supplies goods or services.
Supplier Development Programme	A business support initiative using training and information to improve the competitiveness of local businesses.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30% of the employees of those businesses should be disabled or disadvantaged.
Sustainability	In relation to procurement, sustainability involves understanding the potential environmental, social and economic impacts that are a result of purchasing decisions.
Tender	An offer, or bid, by a tenderer in response to an invitation to tender (ITT).
Third Sector	The third sector includes charities, social enterprises and voluntary groups; delivers essential services, helps to improve people's wellbeing and contributes to economic growth.
Value for Money	The optimum combination of cost and quality to provide the required service.
Whole Life Costs	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.