

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 21 September 2016

UPDATE ON PROCUREMENT STRATEGY AND ACTION PLAN

Report by Depute Chief Executive, Environment
(Sustainability, Strategic and Entrepreneurial Development)

PURPOSE OF REPORT

This report provides an update on the implementation of the Council Procurement Strategy. The strategy, approved by Council in December 2015, recognised the important role that strategic procurement has to play in securing savings and in supporting the delivery of the wider strategic aims of the Council's Corporate Plan and Transformation Strategy.

1. BACKGROUND / MAIN ISSUES

1.1 This report updates Strategic Policy and Resources Committee on progress to establishing best procurement and commercial practices across the organisation through implementation of [Procurement Strategy](#) and Action Plan which was approved by Council on 16 December 2015 ([15/572](#) refers). In that report a commitment was given to provide regular updates to elected members on the progress being made against the Action Plan. This report sets out how the work carried out to date responds to recent legislative changes and details the contribution of this work to the savings targets of £2.5m by 2019/2020.

1.2 Review of Procurement Capability

1.2.1 Over the second half of 2015 a review of the Council's procurement activities was undertaken, with the findings used to inform the Council's Procurement Strategy for 2016, including extensive programme of improvement actions.

1.2.2 The review consisted of a range of activities to assess the Council's procurement capability. The review work identified that current procurement practices needed to be amended in a number of ways if the Council is to:

- enhance professional supply chain management capabilities.
- meet the future demands of a more complex commercial and regulated environment and
- maximise the opportunities that still exist for improvements and efficiencies to be delivered.

1.3 New Legislation

- 1.3.1 In addition to the improvement themes required to meet the review objectives, significant work has taken place to embed processes that ensure the Council is able to meet obligations and key duties arising from new legislation. Two new sets of regulations came into effect on 18 April 2016, arising from a new EU Directive and from national legislation – the Procurement Reform (Scotland) Act.
- 1.3.2 The legislation places new statutory duties on Councils, for a wider range of contracts of lower values than those regulated by existing legislation i.e. for goods and services contracts with a total value over £50,000, and works contracts with a total value over £2m.
- 1.3.3 The Strategy for 2016 included preparations to meet the **new** obligations. A table showing the key requirements and the progress made to meeting the duties is provided below.

New Duty	Progress Update
The requirement to maintain and publish online a contracts register for all regulated procurements (above £50,000 for goods and services and £2m for works contracts).	This was achieved in May 2016 and is now available for review on the national contracting portal.
The need to prepare and publish an annual procurement strategy which sets out how the Council intends to carry out its regulated procurements and a statement on its policy on the use of a range of matters including: § Community benefits. § Fair Work Practices including the Living Wage. § Consulting and engaging with those affected by its procurements. § Compliance with Health and Safety legislation. § Fairly and ethically traded goods and services.	The preparations for meeting this obligation are underway and a full report will be submitted to the December 2016 meeting of Perth and Kinross Council.
The requirement to prepare and publish an annual procurement report , which includes a summary of contracts awarded, a review of whether they have complied with the procurement strategy, a summary of any community benefits requirements imposed, a summary of steps taken to	The preparations for meeting this obligation are underway and a full report will be submitted to the December 2016 meeting of Perth and Kinross Council.

facilitate the involvement of supported businesses, and a summary of the regulated procurements the Council expects to commence in the next two financial years.	
Compliance with specific rules relating to community benefits , which will apply to all regulated procurements with an estimated contract value of £4 million or more.	A menu of community benefits needs has been developed with colleagues in the Children's Services and the Enterprise Team; including Employability Initiatives, Opportunities for All and youth social work. Tenderers can use items from this menu to demonstrate the community benefit element to their bid.

1.4 Impact of referendum vote to leave the EU on public procurement

- 1.4.1 Assessment of the possible impact of the referendum vote on 23 June favouring exit from the European Union suggests that procurement law is unlikely to be significantly changed as a result.
- 1.4.2 The EU regime is transposed directly into Scottish law. Whilst the EU Treaty and EU Procurement Directives would no longer apply, this would have no impact on the validity of the legislation currently in place to transpose those directives (i.e. the Public Contracts (Scotland) Regulations 2015 and Concession Contracts (Scotland) Regulations 2016).
- 1.4.3 It is also worth noting that there was a public sector procurement regime in place before the UK joined the EU. Although there was no single regulatory framework prior to the European system, other regimes existed (including compulsory competitive tendering for local authorities) together with public bodies' own internal rules and policies for regulating their procurement processes.
- 1.4.4 These rules existed to achieve best value for money in the use of public funds, and to ensure accountability, probity and decisions free from bias, so even if existing procurement legislation were to be repealed it is highly likely that another, similar regime would take its place.
- 1.4.5 There is also strong evidence the Scottish Government sees opportunity in regulating this field. In passing the Procurement Reform (Scotland) Act in 2014 and the subsequent regulations (Procurement (Scotland) Regulations 2016) the Scottish Government has added procurement to the toolkit for achieving a fair and prosperous society.

- 1.4.6 The global market has advanced significantly since the pre-EU regime; the underlying principles of achieving value for money and accountability in public authority decision-making remain the same. These principles are now entrenched in the public sector.
- 1.4.7 The economic impact of the Brexit vote in June 2016 may have an impact in the Council's supply chain as currency exchange moves affect the pricing of imported goods. It is also expected that the recent trend for an increasing rate of inflation will continue, and the impact for the Council will be higher costs of goods, services and construction works going forward.

1.5 Transformation Programme

- 1.5.1 The output from the review of Procurement is being implemented alongside the Procurement Reform Project element of the Councils' Transformation Programme. The Procurement Transformation project approved by Council on 1 July 2015 (15/291 refers), included a funding package of £770,000 being allocated to support this project (Report No 15/397). This improved resourcing has meant that many of the recommendations of the review have been more quickly implemented than would otherwise have been possible.
- 1.5.2 The Transformation Review proposals are based around the following objectives:
- Embed a more corporate and commercially focused approach to all procurement activities to deliver **SAVINGS**.
 - Improve the **SYSTEMS** required to support this more commercially focused approach.
 - Embed **SUSTAINABILITY** in procurement as "business as usual" and secure maximum social value from the council's significant spend.
- 1.5.3 Working on the Procurement Transformation project and the Action Plan arising from the Review together has been instrumental in supporting a move to a more corporate approach to strategic procurement.

2. **PROPOSALS**

- 2.1 In the report to Council in December 2015 a commitment was given to a range of improvements to procurement related work. The key outcomes are highlighted below and further detail is also provided in Appendix 1.
- 2.2 The improvement work carried out since the beginning of 2016 has been focused on adding value to procurement work, in terms of delivering measurable savings and effective and efficient practices.
- 2.3 An annotated version of Procurement Action Plan has been provided at Appendix 1. Included in this appendix is an update of the progress made to each of the agreed actions.

- 2.4 The Perth and Kinross Council Procurement Strategy 2016 (from which the Action Plan was devised) is complementary to the regional approach to procurement through the Tayside Procurement Consortium (TPC). Appendix 2 provides an update on the progress with the current TPC Strategy, as well as the planned activities for coming months.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 At the beginning of 2016 the introduction of new procurement legislation, the challenging financial climate, and the opportunities presented by the Council's Transformation Strategy, all combined to create a set of circumstances to refresh the Council's approach to procurement.
- 3.2 A more corporate view of all procurement activity has been made possible through the additional resource allocated to the function.
- 3.3 Greater use has been made of collaborative procurement opportunities, such as Tayside Procurement Consortium, thereby reducing the cost to procure. A focus on the opportunities for cost reduction in all contracts is contributing to the Council's efficiency agenda.
- 3.4 Effective procurement helps support a prosperous, fair and sustainable area, whilst delivering best value, as well as local economic and social benefits.
- 3.5 The Committee is requested to note;
- (i) The update to Perth and Kinross Council Procurement Strategy and Action Plan (Appendix 1).
 - (ii) The Tayside Procurement Consortium Strategy Update (Appendix 2).

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	YES
Corporate Plan	YES
Resource Implications	
Financial	NO
Workforce	NO
Asset Management (land, property, IST)	NO
Assessments	
Equality Impact Assessment	NO
Strategic Environmental Assessment	NO
Sustainability (community, economic, environmental)	NO
Legal and Governance	YES
Risk	YES
Consultation	
Internal	YES
External	YES
Communication	
Communications Plan	NO

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The proposals support the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The proposals support the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 There are no direct financial implications arising from this report. The proposals in this report will constitute to the delivery of revenue budget savings.

Workforce

- 2.2 There are no workforce implications.

Asset Management (land, property, IT)

- 2.3 There are no asset management implications.

3. Assessments

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.4 The proposals in this report support sustainability through greater use of social and environmental benefit considerations in procurement, and also the reporting of these benefits regularly to Committee.

Legal and Governance

- 3.5 The Head of Legal Services has been consulted.

4. Consultation

Internal

- 4.1 The Head of Finance, Head of Legal and Governance Services and Head of Democratic Services have been consulted in the preparation of this report.

External

- 4.2 The Head of Tayside Procurement Consortium has been consulted in the preparation of this report.

5. Communication

- 5.1 Part of the Action Plan includes a commitment to communicate on procurement matters to staff and Elected Members.

2. BACKGROUND PAPERS

- 2.1 Hyperlinks to background papers are included in the text of the report.

3. APPENDICES

- Appendix 1 – Update on Perth and Kinross Council Procurement Strategy and Action Plan.
- Appendix 2 – Update on Tayside Procurement Consortium Strategy.

Update on Perth and Kinross Council Procurement Strategy and Action Plan

Improvement Area	We committed to:	So far we have:	Next we will:
People Ensure those involved in our procurement processes are appropriately skilled and supported to deliver value for money services.	Review roles and responsibilities and reporting lines of those participating in procurement activities, clarify and communicate the need for change.	Good progress has been made in this area. Having more resource to support budget holders and officers working on contracts has meant that support can be offered not just as advice but also in a developmental capacity. This has helped to clarify the roles played by corporate and service based officers.	The Corporate Design Team have been commissioned to support us in articulating and communicating the change we to effect.
	Review current activities and job descriptions, identify Learning & Development requirements against the national competency framework (procurement skills) and develop an appropriate action plan to develop skills across the organisation including Elected Members	Engagement sessions for elected members have been scheduled for late 2016. Sessions have been timetabled to take place while the Strategy for 2017 is being drafted.	Develop a reporting tool for assessing any skills gaps of officers who work with our suppliers. The intention is that this will lead to the creation of a clear and targeted pathway of training and development opportunities for those involved in supply chain management – which in turn will improve the experience of businesses and charities when working with the Council.
	Develop a specific action plan to shift activities of the Corporate Procurement Team from operational to a more strategic focus and set specific personal objectives linked to the new strategic plan.	In February 2016 a phased transfer of operational support for users of our purchasing system PECOS transferred to the Corporate Finance Team. System support functions offered by the Corporate Procurement Team are now more focused on sourcing from contracts.	We will continue to review the structure of the Procurement Team to ensure it meets the needs of the organisation.
	Effective communication plan to be developed to keep key stakeholders informed of programme and changes	The Corporate Procurement Team Plan has been revised, including our approach to internal and external communication. Greater use of surveys has been trialled.	Improvements to this aspect of our support to Services will be achieved through the work the Corporate Design Team have been commissioned to do.

Processes Provide effective frameworks to manage the Council's procurement activities.	Develop a Council wide procurement pipeline and associated capacity plan and category management, including clear targets (savings, community benefits, living wage rates etc.), identified and agreed with the Services for specific contracts/commodities	A Contract Delivery Plan has now been developed. This lists all known requirements for supply in the coming 12-24 months.	The Contract Delivery Plan is a dynamic document which we will continue to develop as plans and budgets for 2017/18 and beyond emerge.
	Standardised, corporate processes and documentation to be implemented across the Council	Since the approval of the Strategy revisions have been made to the full tender cycle, templates, contract documents and guidance have all been changed. A significant change, driven by legislation, has been successfully implemented; this has focused on introducing a new procedure for qualifying bidders during tender processes.	Review and amend the Contract Rules to improve the alignment to other sources of governance such as Following the Public Pound Code. We will also explore resourcing for Contract Law issues, customer journey mapping and sustainable development plans; considering secondment opportunities and resource sharing.
	Upfront demand management challenge process to be implemented	Some significant progress has been made to this objective with the products available under a number of contracts being rationalised this year. This is most successful when implemented at the start of a new contract. The saving identified from reducing the options on a small number of office equipment lines represents a recurring saving of around £40,000 per annum. This was implemented from 1 June 2016 as the new contract was launched.	Consideration is being given to how we might improve the detail about <i>what</i> is bought in each transaction. It is likely this could be achieved through channelling all spend into systems with reporting capability; this will increase the opportunities to realise savings from contracts by improving transparency and resultant controls.
	Corporate wide contract risk register to be developed and maintained	Contract Delivery plan (future contracts) and the Contracts Register (current contracts) are used to plan the allocation of resource dependant on the risks associated with each category of spend.	As the Contract Management system is roll out in late 2016 risks will be logged against each contract, supporting a corporate view of our supply management risks. We will also use the findings of the Annual Governance statement to ensure we are working to mitigate any risks identified by Services.

Systems Invest in digital technology to ensure efficiency of our procurement processes and effective knowledge management for our contracts.	Benefits tracking methodology to be developed and embedded across the Council	Tracking of benefits has focused on financial performance of contracts to ensure that the contracting work is delivering savings. This is a manual process at present. An appropriate system has been identified, training of officers took place in July and roll out of the system started in August. This system will support tracking and reporting of savings, community benefits achieved by contract, contract performance and compliance (such as insurance checks and currency of professional standards certification).	We will continue to develop the detail around the savings opportunities from contracts. A more automated process to support our reporting requirements will be embedded.
	Develop and implement a corporate approach to contract management activities.	As described above, an appropriate system has been identified which will facilitate reporting of savings, community benefits achieved by contract, contract performance and compliance.	Preparation for a bulk upload of contract data for our highest impact contracts is underway. Holding all of the contract data in one location will support improvements to management, planning and supplier relationships.
	Review IT systems from a procurement perspective and develop an appropriate action plan for improvement (resourced from Transformation project)	In February we completed a benchmarking exercise to compare our systems landscape with that of the NHS, universities and colleges and other local authorities. We are now represented on the national forum for eCommerce and will play a role in influencing how the national landscape develops. This may reduce the cost to PKC of some changes we might choose to implement	A future development will propose the mandatory use of PCS-Tender, the electronic tendering platform, to drive more a standard approach to contracting. The risk in this is the potential for a negative impact on the business community. Further work will be undertaken to investigate the business response to this possible change.
	Develop a plan for ensuring full compliance with use of Public Contract Scotland tender to improve coverage of the contract register to meet new legislative requirements and ensure a clear procurement pipeline of opportunities is developed and maintained	A greater proportion of contracts are being advertised due to the changes in duties which means that spend of a value of £50,000 or above will now appear on the Contracts Register. Access to publish information relating to contracts has been reduced to a more manageable number of trained officers which has resulted in more consistent	The improved availability of data creates opportunities to consider how we might consolidate our supply routes where the markets are similar – for example in the provision of maintenance services in domestic and non-domestic properties or support services to children and families as well as adults with additional needs

		information being pulled onto the Contract Register. The register was published (as required by the Procurement Reform Act) on 2 May 2016. It can now be viewed online.	and older people. How synergies might be achieved will be considered as the strategy for 2017 is developed.
Governance and Reporting Ensure the commercial activities undertaken maximise the benefit to our communities.	Introduce a category management structure for key areas and develop reporting of key commodities at a corporate level	A more detailed study of the opportunities that may come from resourcing procurement by aligning activities to markets rather than organisational structures has been prepared for discussion at Finance and Resources Group in August.	Investigative work is now in the early stages with recommendations for change to follow towards the end of 2016. In the meantime we will work with each category area to develop a bespoke approach to contract delivery (this has begun with Property, ICT and Public Transport).
	Make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements	From April 2016 we gained access to a national market research platform to help us plan for market changes.	So far the tool has been underutilised. Further training and awareness raising for Council officers is planned for late 2016. Scotland Excel will support this development work.
	Establish a more regular, improved reporting of procurement performance in line with Audit Scotland recommendations	This report is provided as an update of the progress made to the mid-point of the 2016 Action Plan. A further report will be provided early in 2017 on the full year performance. In addition, regular reports on performance against the Procurement Action Plan have been made during 2016 to the Modernising Governance Member Officer Group, the Finance and Resources Group and the Corporate Transformation Board as appropriate.	Elements of the Systems based improvement work will be used to improve the accessibility and visualisation of data for Services and Elected Members.
	Develop regular report to capture procurement savings and other non-cashable saving and benefits	A revised approach to reporting on procurement performance indicators has been in development during the first half of 2016. The Procurement Team have received training on the use of a data 'universe' which will facilitate drawing of data from a number of sources	Further work has yet to be completed on changes to systems parameters which will provide improved links between families of data.

	Review procurement performance and report progress.	Further review work with the Procurement Improvement Programme (through Scotland Excel). The national assessment of procurement capability (abbreviated to PCIP) took place on 15 September 2016.	We will use the output of the review and the feedback from the assessment day to inform the second annual procurement strategy
	Prepare second annual procurement strategy	Preparatory work is underway with each Service to ensure the Strategy for 2017 captures the supply chain priorities for the whole Council.	The Strategy for 2017 will be presented at Council in December 2016 in order to meet the legislative requirement to publish by 31 December 2016.

TPC OBJECTIVE 1: REVIEW THE TPC COMMODITY MANAGEMENT APPROACH

- The collaborative portfolio was reviewed and updated in 2015/16
- A collaborative procurement approach is established between the Tayside Councils
- TPC managed collaborative procurement is facilitated by joint working with officers from each Council

TPC OBJECTIVE 2: IMPROVE THE MANAGEMENT OF TPC COLLABORATIVE CONTRACTS

- Procurement Strategies for collaborative contracts are in place
- Supplier engagement activity has been reviewed and improved.
- CBIPS initiatives are managed through a standard TPC contract management approach

TPC OBJECTIVE 3: INCREASE THE TPC COLLABORATIVE PORTFOLIO

- The number of regionally defined contracts being made available to the Councils increased in 2015/16

TPC OBJECTIVE 4: DELIVER COMMUNITY BENEFITS IN ALL TPC CAT C1 CONTRACTS

- Community Benefits are now included in all contracts tendered by the TPC
- Inclusion of Community Benefits is requested in all other collaborative procurements tendered by Scotland Excel or the Scottish Government

TPC OBJECTIVE 5: REVISE THE TPC SUSTAINABILITY POLICY TO ACCOUNT FOR THE FAIR WORKING PRACTICES (LIVING WAGE) REQUIREMENTS

- TPC are now including Fair working practices in all TPC contracts
- Inclusion of Fair Working practices is requested in all other collaborative procurements

TPC OBJECTIVE 6: INCREASE TPC USE OF PCS TENDER

- PCS-T is now rolled out and embedded within the TPC procurement approach

TPC OBJECTIVE 7: SUPPORT THE COUNCILS WITH THEIR PCIPs

- The PCIP was not held in the Councils in the reporting period.

TPC OBJECTIVE 8: LEAD AND SUPPORT WIDER COLLABORATION

- Continue to lead and support the TOPIC Group
- Deliver on the agreed TOPIC outcomes.

TPC OBJECTIVE 9: DELIVER A SUPPORTING LOCAL BUSINESS TEN POINT PLAN

- The Ten Point Plan has been successfully delivered in 2015/16

TPC OBJECTIVE 10: SUPPORT THE ONGOING BESPOKE PROCUREMENT REFORM PROJECTS IN THE TAYSIDE COUNCILS

- PKC procurement transformation project was approved and initiated in December 2015
- Transforming Angus procurement reform project was approved Feb 2016

TPC OBJECTIVE 11; ENSURE TPC MEETS THE REQUIREMENTS OF THE PROCUREMENT REFORM (SCOTLAND) ACT 2014
TPC OBJECTIVE 12: DELIVER A TPC PROCUREMENT STRATEGY 2015-20

- Annual report details the progress made against agreed objectives 11 and 12.

PERFORMANCE AGAINST TPC ACTION PLAN

TPC Objective: 1 REVIEW THE TPC COLLABORATIVE COMMODITY MANAGEMENT APPROACH

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Collaborative Portfolio Review	TPC Scotland Excel Scottish Government Other CPBs.	All collaborative contracts allocated to a commodity manager	Commodity portfolio in place and agreed by end May 2015	YES	The TPC Commodity portfolio was reviewed and reallocated across the Commodity managers.
TPC Procurement Strategy 2011-15	Collaborative Contract delivery plan in place	Steering Group reports	Contract delivery plan 2015/16 approved by Steering group	Approved by Steering group by April 2015	YES	TPC Steering Group agreed the contract delivery plan – which was delivered in full for 2015/16.
TPC Procurement Strategy 2011-15	Ensure TPC UIGS in place for all Cat C1 contracts	Increase in C1 collaborative activity Procurement Strategies UIG minutes	All C1 procurement to have UIG collaborative participation	All TPC C1 procurements had UIG participation from the Councils involved	YES	The documents relating to the portfolio of collaborative contracts available for use by the Council notes the participation of key colleagues from Councils in all Cat C1 procurement activity

TPC Objective: 2

IMPROVE THE MANAGEMENT OF TPC COLLABORATIVE CONTRACTS

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Ensure a Procurement Strategy is in place for each procurement	TPC Scotland Excel Scottish Government CPBs	Procurement strategy in place for all collaborative procurement	In place	YES	A strategy is put in place for each procurement by the lead procurement body

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Supplier engagement activity has been reviewed and improved	Supplier engagement events	To be held for all appropriate procurements	In place	→	The 2011-15 strategy was approved by the appropriate committee at each of the three Tayside Councils and all improvement work is based on that approved report
TPC Procurement Strategy 2011-15	Promote Corporate Social Responsibility in collaborative procurement	Sustainable Procurement Policy in place	Policy approved and acted on	Sustainable procurement policy Approved by SG	YES	TPC created a sustainable procurement policy for the Councils. Policy has now been approved in all 3 Councils. TPC now include sustainable outcomes in all Cat C1 procurement
TPC Procurement Strategy 2011-15	Update TPC templates to reflect the procurement journey	TPC Drive	Full set of TPC templates	In place by June (NB having to be revised again re Reform Act)	YES	
TPC Procurement Strategy 2011-15	Use of Spikes to inform C1 strategies	Procurement Information Hub	Spikes MI used for all C1 activity	In place	YES	
TPC Procurement Strategy 2011-15	User of PCS	PCS Website	All TPC contract adverts published on PCS	100%	YES	

TPC Objective: 3 INCREASE THE COLLABORATIVE PORTFOLIO

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Each Commodity Manager to deliver additional Cat C1 Contracts in 2015/16	TPC Contract Portfolio 2015/16	Uplift of Cat C1 Contracts year- on-year	Achieved	YES	Library Management Systems Modern Languages Platform Polling Cards Consultancy Services Roller Shutter Doors Automatic Doors Fire Alarms Air Conditioning Sprinkler Systems Heating Maintenance and Mediation Services.

TPC Objective: 4

DELIVER CBiPs IN COLLABORATIVE PROCUREMENT

Policy/ Strategy Area	Action and outcome (<i>Lead responsibility</i>)	Relevant Indicators (<i>Source</i>)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	CBiPs to be included in all CAT C1 procurement	Commodity strategies in place for all TPC contracts	100%	100%	Yes	Commodity strategies including CBiPs are now in place for TPC Contracts
TPC Procurement Strategy 2011-15	Lobby for CBiPs in all other collaborative procurement		Collaborative contracts to have CBiPs for Tayside	improving	YES	Cat A & Cat B Contracts have CBiPs where possible / appropriate. The challenge going forward is to bridge the gap between the general requirement – and what it actually delivers in a local context

TPC Objective: 5 REVISE THE TPC SUSTAINABILITY POLICY TO ACCOUNT FOR THE FAIR WORKING PRACTICES (LIVING WAGE) REQUIREMENTS

Policy/ Strategy Area	Action and outcome (<i>Lead responsibility</i>)	Relevant Indicators (<i>Source</i>)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Support the inclusion of Living Wage in other collaborative procurement	TPC Sustainable Procurement Policy	Updated Sustainability policy confirming an agreed Tayside approach to Living Wage	Not achieved	No	TPC have included LW in all TPC activity – however the policy cannot be formally amended until the 3 Councils reach a consensus on the approach to LW – which they have yet to do. TPC is working to the majority position

TPC Objective: 6 INCREASE TPC USES OF PCS TENDER

Policy/ Strategy Area	Action and outcome (<i>Lead responsibility</i>)	Relevant Indicators (<i>Source</i>)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Use of PCS Tender	TPC on PCS-T	TPC tenders done via PCS T -	All to be done using PCST – only by exception will old way be done	Yes	All TPC tender are done using PCST - only where we know the market isn't suitable would we return to the old way of doing an offline tender

TPC Objective: 7**Support the Councils with the PCIP**

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Support the 3 Tayside Councils in their PCIP assessment	PCIP	3 PCIPS complete	100%	N/A	The PCIP assessment was not held in 2015/16 because of slippage at a national level.

TPC Objective: 8**Lead and Support Wider Collaboration**

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011- 2015	Develop the TOPIC group	Progress reports to Steering Group	2 reports per annum	Complete	Yes	TOPIC update reports are submitted to Steering Group. TOPIC meets quarterly
TPC Procurement Strategy 2011-15	Deliver on TOPIC objectives Collaborative contracts Collaborative Training Collaborative Supplier Engagement	An annual performance report to Steering Group	Contracts Training Supplier Engagement	Complete	Yes	Annual reports have been submitted each year since 2008. The annual TPC report is submitted to TPC Steering Group in May and can be reported to the appropriate forum in each Council thereafter.

TPC Objective: 9 DELIVER A SUPPORTING LOCAL BUSINESS TEN POINT PLAN

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Deliver a ten point plan to support local business Head of Procurement TPC	10 point plan	Deliver on 100% of objectives	100%	Yes	- Held meet the buyer events - All TPC contract advertised on PCS - Debriefs were offered to all suppliers - Supplier surgeries were held - Local considerations included in all TPC contracts - TPC hosted the buyers village at the National Procurement Conference

TPC Objective: 10 SUPPORTS THE ONGOING BESPOKE PROCUREMENT REFORM PROJECTS IN THE TAYSIDE COUNCILS

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Support bespoke reform activity in the Councils where required - Operational support - Project support - Internal consultancy support	Bespoke Council	As defined by Councils – respective steering group representative	Complete	Yes	TPC team have fully supported and responded to Council requests in this regard.

TPC Objective: 11 ENSURE TPC MEETS THE REQUIREMENTS OF THE PROCUREMENT REFORM (SCOTLAND) ACT 2014

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011-15	Ensure TPC meets the requirements of the Procurement Reform (Scotland) Act 2014	Steering Group reports	2016	100%	Yes	

TPC Objective: 12 DELIVER TPC PROCUREMENT STRATEGY 2015-20

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Achieved	
TPC Procurement Strategy 2011- 2015	Deliver a TPC Procurement Strategy 2015-2020	Approved at Steering Group	In place for May 2015	Complete	Yes	TPC Strategy approved by TPC Steering Group and then subsequently at full Council in 2015/16

The following is a summary of planned TPC improvement activities in 2016/2017

Key area for improvement carried forward	Linked to which TPC Strategic Priority	Action and outcome (Lead responsibility)	Delivery timescales	Comments
1. Delivery of Local supplier support – 10 point plan	1. Improving Supplier Access to Public Contracts	Increasing the opportunities for local business to bid for Council work	On- going with periodic reporting on progress to SG	10 point plan approved by TPC Steering Group. Delivered in 15/16 - continued in 16/17
2. Community benefits in Cat C1 contracts	3. Embedding Sustainability in all we do	Deliver Community Benefits through procurement in all appropriate Cat C1 contracts	On- going with periodic reporting on progress to SG	CBiPs are now included as standard in all C1 contracts where possible. Living wage considerations to be included in all appropriate TPC contracts.
3. Increased collaboration	2. Maximising efficiency and collaboration	Increase the number of collaborative contracts available to the Councils	April 2017	New collaborative work streams in development for 16/17.
4 Streamline Process.	2. Maximising efficiency and collaboration	Develop e-procurement tools - e-tender - e- commerce	April 2016 and on-going thereafter	Following implementation of the electronic tendering system, a module to electronically manage contracts will be made available. It is expected that some progress will be made towards implementing the contract management module toward the end of 16/17
5 Performance review	4. Delivering Savings and Benefits	Support the Councils in the PCIP review scheduled for 16/17	July & Sept 2016	DCC & PKC only ; - Angus not participating
6. Collaboration	2. Maximising efficiency and collaboration	Review and improve the forward planning and strategic development of contracts.	Ongoing	Reviewed and re-allocated the management responsibility for the TPC commodity profile.
8. Contract Management	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and	- Commodity Strategy in place - Procurement Journey used - PCS-T used where appropriate	ongoing	All TPC contracts have strategies and all TPC procurement follows the appropriate procurement journey. See improvement action 4

Key area for improvement carried forward	Linked to which TPC Strategic Priority	Action and outcome (Lead responsibility)	Delivery timescales	Comments
	Benefits			
9 Procurement Reform	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and Benefits	Compliance with the requirements of the Procurement Reform Act	April 2016 and ongoing thereafter	Much work already done – process refinement ongoing following clarifications coming from Scottish Government with respect some operational matters.
10. Procurement Reform	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and Benefits	Support the bespoke reform projects in the Councils	Ongoing	Across the Councils as required

Acronyms Explained	
BPIs	Best Practice Indicators
CBIPs	Community Benefits in Procurement
CSM	Contract & Supplier Management
Excel	Scotland Excel – Local Authority Centre of Procurement Excellence
PCA	Procurement Capability Assessment
PCIP	Procurement Commercial Improvement Programme
PCS	Public Contracts Scotland - a national contracts advertising portal
PCS-T	E-Tendering system provided by Scottish Government
PECOS	Professional Electronic Commerce Online System
P2P	Purchase to Pay processes
SLGPF	Scottish Local Government Procurement forum
SPCD	Scottish Governments' Procurement and Commercial Directorate
Spikes	Spikes Cavell – an information hub containing procurement management information
TPC	Tayside Procurement Consortium
UIG	User Intelligence Group