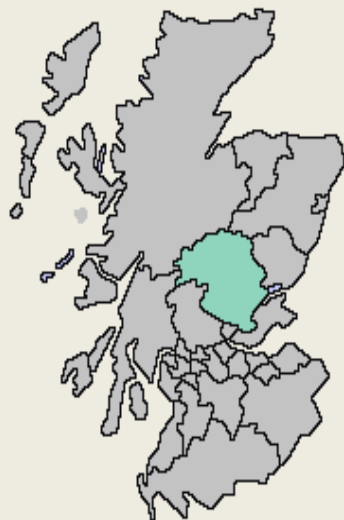




# Procurement Strategy

## 2019/2020

Appendix 2



Each year the Council approves a strategic approach to the development and management of the supply chain which supports services to the communities of Perth and Kinross. This document sets out the ways in which Councils strategic objectives will be met and value achieved through purchasing decisions.



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## Foreword

For this financial year 2019-20, a one year strategy has been developed. This is to allow the Council to align future planning with neighbouring Councils as our approach to collaborative procurement is enhanced. The first quarter of 2019/20 sees the Council working with Scotland Excel to develop a Tayside-wide collaborative model to improve our procurement and strategic commissioning capability.

Council continues to deal with rising demand, at a time when our budget is reducing. We have a strong track record of managing our finances and delivering efficiency savings, which means that while we are facing an uncertain future, we can do so with confidence in our ability to meet the challenge. Strengthening our approach to how we procure in partnership with Dundee City and Angus Councils will make us more effective in our response to future challenges.

Our 2019/20 strategy builds on the commitment we have made to developing how we approach our supply chains. The development of skills and new approaches to sourcing help us contribute to a more prosperous, fair and sustainable economy and support the achievement of better outcomes for our communities.

This Procurement Strategy sets out how the Council will take the next steps to direct its external spend on goods, services and works to meet our objectives. As with our earlier Strategies the focus will be on the work we need to do to achieve savings, meet our legal obligations and to deliver wider local economic, environmental and social benefit in communities.

Councillor Lyle  
Leader of the Council

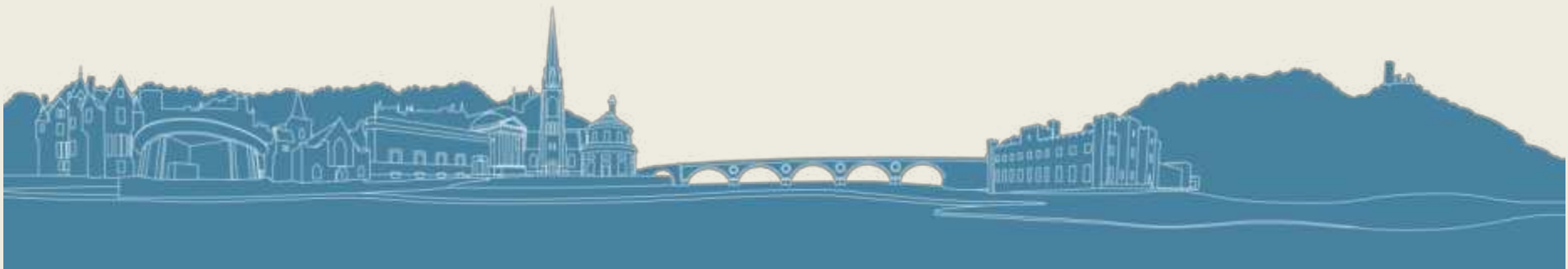


Karen Reid  
Chief Executive



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## 1. Executive Summary

All public bodies which spend more than £5 million in a financial year are required to prepare or revise their procurement strategy annually. This document, prepared for the financial year 2019/20, builds on our recently completed strategy which was approved in December 2015. The decision to produce a strategy which covers only one year was reached to align with an emerging change. We have committed to building a new approach to procurement which means we will work more closely with our neighbouring Councils in Dundee and Angus.

The strategy recognises that effective, well constituted procurement work can positively support the achievement of objectives set out in the [Community and Corporate plans for Perth and Kinross](#) and sets out the focus of improvement work in the coming year. In future years our strategies will consider how the needs of communities can be met through a shared procurement service which makes the most effective use of the available resources.

Our improvement work under taken in the last 3-4 years has laid a strong foundation of procurement practices on which to build. In the coming year we will continue to focus on how that can be used to secure additional social value from the way in which we work with our supply chain; supporting our strategic objectives of:

**Giving every child the best start in life**

**Supporting people to lead independent, healthy and active lives**

**Developing educated, responsible and informed citizens**    **Creating a safe and sustainable place for future generations**

**Promoting a prosperous, inclusive and sustainable economy**

How we manage the agreements and relationships we have with third parties plays a key role in achieving success under each of these themes. Using our procurement capability to strengthen the support we give to local employment, how we work with the third sector and supported businesses will help us to meet and exceed those objectives.

## 2. Vision for procurement

Since setting out our strategy at the end of 2015 we have worked toward a vision for procurement which aims:

***“To achieve commercial excellence in our procurement activities and ensure that we deliver Best Value services to the communities of Perth and Kinross.”***

***“To do so in an effective, efficient, ethical and sustainable way that delivers local economic, environmental and social benefits.”***

To meet those aims we will continue to work on enhancing the social value we achieve from working with our supply chain. We will do this by:

- Maximising the use of community benefit clauses in our contracts to meet the needs of communities in our area
- Optimising the way we work with supported businesses and social enterprises to respond to the needs of a broad range of people in local communities
- Ask about the Fair Work practices of all third parties with which we contract, with a view to encouraging the participation of employers in the development of a Fairer Perth and Kinross

The overarching aim for all expenditure is to deliver the most effective solutions to support innovation, growth and fairness in our area. We will continue to play a part in meeting the recommendations made by the Fairness Commission for Perth and Kinross, one of the stated aims of which is:

***Inclusive economic growth creates opportunities for everyone and fairly distributes the benefits of increased prosperity across society, both in monetary and non-monetary terms. The Community Planning Partnership should maximise the opportunities of inclusive economic growth initiatives by applying a high weighting to social value criteria for all procurement and contracting arrangements for goods and services.***

More information is available on the work of the [Fairness Commission for Perth and Kinross](#) and the [Fairer Futures report](#).

### 3. Context

The purpose of this strategy is to set out how Perth and Kinross Council will direct its expenditure on goods, services and works to meet the needs of the communities it serves.

Working with our partners and our communities, a [Community Plan](#), which sets our course for working together, was developed in 2017. The Council's intent for delivering on our part of the Community Plan is set out in our [Corporate Plan](#). It demonstrates the Council's commitment to improving services, enhancing the quality of life of our citizens and making best use of public resources. It gives a commitment to deliver excellence through developing our people, modernising our organisation and working constructively in partnership with other bodies to deliver high quality services to our local communities.

Procurement has a key role in sourcing the goods, services and infrastructure needed to realise these objectives. During 2019-20 greater consideration of how this can be done in partnership with other bodies, specifically councils in Tayside, will be made. Throughout the year of this strategy we will continue to explore ways of using the defined procurement procedures in creative and innovative ways to meet our strategic objectives.

All procurement work undertaken supports the Council's decision making and budgeting processes. The [Contract Delivery Plan](#) provided with this Strategy document sets out all planned procurement activity required to deliver the priorities for which the budget was set. Links are made in the document to relevant information published on the [Council website](#).

In pulling all of these policy areas together the common thread is how these spending decisions achieve [social value](#) for communities. Social value will, in part, be achieved by placing an obligation, through our contracts, for those organisations with which we work to support us in improving the economic, social and environmental wellbeing of our area. will also enhance how we report on what has been achieved through these contracts.

### Working across agencies and sectors

How we work with other public bodies, our community planning partners (CPP) is a key part of maximising efficiencies in procurement processes and outcomes. For procurement matters we are already involved in several collaborative arrangements, including the [Tayside Procurement Consortium](#) (TPC), the Scottish Government procurement team and [Scotland Excel](#).



The current level of partnership with Dundee City and Angus Council's is constituted by the Tayside Procurement Consortium. The Consortium has its own strategy which provides an overarching approach for the three Councils. This strategy aligns to the objectives set out for our partner councils in Tayside. Therefore this Council strategy should be considered in conjunction with the Tayside Procurement Consortium procurement strategy [2015-2020](#).

During the coming year we will explore how we can build on our existing approach to collaborative work in Tayside. Enhanced arrangements will emerge during 2019-20 and beyond. Scotland Excel will play an active role in this work. The Procurement Collaborative Board has commissioned Scotland Excel to support the change and deliver a two year programme of change. The programme will focus on how we can work with our partners to increase the value and impact public spend will make locally.

Working with Scotland Excel will mean we can benefit from learning on similar collaborative work which has taken place in Grampian and in Fife.

#### 4. Aims, Objectives and Key Priorities

This strategy builds on work approved in 2015. Following a review a change to the structure and support for procurement work was made. The new arrangements started from January 2016. Progress which was made following the review is set out in the Annual Reports for [2016/17](#) and [2017/18](#) which are published on the Council's website. The report for 2018/19 will be published by the end of June 2019.

In 2015 the agreed themes for development were:

- **Savings** – ensuring we optimise the money spent in working with third parties to deliver public services
- **Systems** – enhancing our process and tools used to ensure the approach we take is as efficient as possible
- **Sustainability** – using the spend we have available to make the greatest impact possible on the social, environmental and economic wellbeing of our area.

For the coming year our focus will remain, broadly on the same themes. It is always important for the way in which public money is spent to focus on ensuring value for money is achieved. Recognition that this value does not come from low prices but from the balance of cost, quality outcomes and timely delivery is critical to achieving responsible and responsive public procurement. More of what we will do in the coming year will be about evidencing overall value rather than cost savings alone.

How we use technology now and in the future is a key aspect of efficient public spending. A sound contracting portfolio is underpinned by how we manage performance and evaluate risk. An agile approach to extracting and then analysing the data we hold in a range of systems will be key. Our aim will be to provide management information on every strategic contract held with a view to making good decisions about how value will be achieved.

The introduction of the Procurement Reform Act in Scotland highlights the critical relationship between delivery of policy and public spending. Each year Perth and Kinross Council invests around £240m in services for people, place making and effective local government. Ensuring that this money has the best possible impact locally is part of responsible procurement. Building contracts which reflect the needs of local communities and connect businesses to those outcomes is at the heart of public procurement.



To ensure that each contract makes the best possible contribution to the aims set out above it is important that we have the right infrastructure in place. The following table provides information in respect of each area of improvement. These remain largely unchanged from our strategy approved in 2015 as each of the stated aims is still relevant to the work we need to do.

A full table of actions and the plans for delivery has been prepared for 2019/20 and is presented at the end of this strategy. The detailed operational action plan will be managed by the Corporate Procurement Manager. The Council's Head of Finance will have responsibility for the improvement programme and delivery of the objectives.

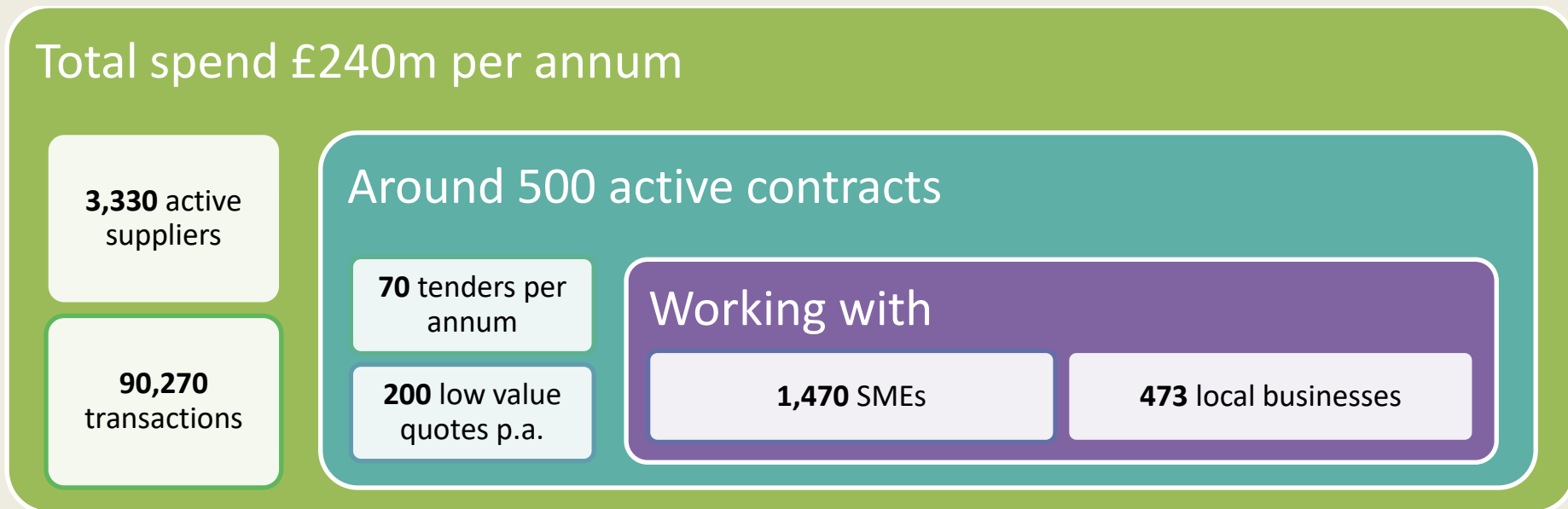
Strategic Aim	How we will do it
<p><b>Savings</b></p> <p>To deliver savings and Best Value whilst improving outcomes for our communities through our procurement activities</p>	<ul style="list-style-type: none"> <li>• By <b>challenging the status quo</b> and changing patterns of demand</li> <li>• By incorporating <b>social value</b> requirements in appropriate contracts</li> <li>• By working together and in <b>collaboration with others</b> to identify opportunities for economies of scale</li> <li>• By making the best possible use of <b>market research</b> and benchmarking</li> <li>• By reviewing and investing in our systems to develop a pipeline of procurement opportunities and provide quality data to <b>inform decision making</b> and identify priorities</li> <li>• By <b>engaging early with suppliers</b> and the <b>people who use public services</b> to help develop contract specifications that more accurately reflect service users requirements</li> <li>• By embedding the <b>measurement of benefits</b> achieved through procurement and reporting regularly of what has been achieved – in cash and non-financial terms</li> </ul>

Strategic Aim	How we will do it
<p><b>Systems</b></p> <p>To embed a more innovative and commercially focused approach to procurement across the Council to simplify processes, deliver best value and reduce risk</p>	<ul style="list-style-type: none"> <li>• By standardising and <b>simplifying</b> our procurement processes and documentation</li> <li>• By improving the Councils' approach to contract and supplier management to ensure that contracts are <b>delivering value and innovation</b> throughout their life cycle</li> <li>• By publishing regular <b>performance and compliance reports</b> for review by senior management and elected members</li> <li>• By taking an agile approach to improvement</li> <li>• By engaging with those affected by the procurement work we do, including individual citizen, community representatives and businesses and charities which offer services.</li> </ul>

Strategic Aim	How we will do it
<p><b>Sustainability</b></p> <p>To secure maximum social value from the Councils' considerable spend with third parties by embedding sustainable procurement as "business as usual"</p>	<ul style="list-style-type: none"> <li>• By thinking innovatively and strategically about how the Council spend can best meet the needs of communities, using a range of <b>options for delivery</b></li> <li>• By <b>early engagement</b> with key stakeholders to seek input</li> <li>• By adopting a <b>corporately defined approach</b> to procurement</li> <li>• By maximising the <b>use of Community Benefit clauses</b> in all appropriate contracts</li> <li>• By designing contract strategies to <b>maximise accessibility</b> to suppliers of all sizes</li> <li>• By developing and maintaining a corporate risk register specifically for contracts to <b>reduce risks</b> and identify common areas for improvement.</li> </ul>

## 5. Spend

For the most recent three years financial years overall procured spend has averaged around £240 million per annum. (2016/17 £227m, 2017/18 £255m, 2018/19 £240m). This figure is a compilation of all the work we do with third party suppliers, including commissioned services, our infrastructure projects and the procurement of goods and services.



Where possible we will consider how best to work in partnership across the whole public sector. Collaborative approaches to spending are a key part of maximising efficiencies in procurement processes and outcomes. Our Strategy for delivering an effective portfolio of contracts includes use of contracts formed by the Tayside Procurement Consortium, Scotland Excel and the commercial team of the Scottish Government – Scottish Procurement. We will grow this part of our portfolio during 2019/20.

We also make use of other collaborative arrangements available to local authorities in Scotland where it makes practical sense to do so. This includes the portfolio of contracts made available by both the Scottish Government, through Scottish Procurement and the UK government, through the Crown Commercial Service.

Key delivery partners for the Council are Scotland Excel and the Tayside Procurement Consortium with many of our regular purchases being made through frameworks which facilitate joint working with other local authorities. Our work with Scotland Excel includes use of the wide range of sourcing agreements available as a result of our membership.

Scotland Excel also provide support for enhancing procurement capability and have a pivotal role in how local authorities work together to share good practice and improvement plans for procured services. Perth and Kinross participates in the planning and delivery of this support service through the Procurement Improvement Programme Steering Group.

To further enhance our collaboration we work with the [East Central HubCo](#) territory partners; [Amber Blue](#) and more recently with the [Scottish Procurement Alliance](#) and [Scape Procure](#) to deliver elements of our capital programme. These mechanisms afford us efficient and effective means of identifying routes to delivering on some of our larger infrastructure projects and we will continue to explore opportunities to optimise collaboration.

The procurement work we do is distributed between collaborative and direct procurement work. Our aim is to continue to develop this approach to maximise the impact of collaborative procurement for the Scottish public sector as a whole.

## 6. Financial Information

### Budget Information

On 3 October 2018 the Council approved the Medium Term Financial Plan for the period 2019 – 2024. This update built on previously approved Plans and considered future funding levels, increasing costs and rising demand over the short to medium term insofar as they may impact on Perth & Kinross Council. The report approved the development of the 2019/20 Final Revenue Budget and Provisional Revenue Budgets for 2020/21 and 2021/22 including corporate savings targets. The report also provided an update on the Capital budget. The approved budget can be viewed [here](#).

Each of the budgeted activities which will result in procurement work has also been included in the Council's **Contract Delivery Plan** which can also be viewed on the Council's website, [here](#).

### Contracts Register

A key dataset published by the Council is the Contracts Register. The register presents information on all the contracts awarded by Perth and Kinross Council as well as a record of those collaborative contracts being used by the Council. A searchable format of the Register can be viewed [here](#).

There is a statutory duty on public bodies which spend more than £5m per annum to produce a register of this type. The publication supports Scottish Government plans for open contracting. The search functions on Public Contracts Scotland can be used as a data source for exploring the contracting plans of a wide range of public bodies, including Perth and Kinross Council.

The data can be viewed online, with opportunities to search for specific contracts or themes. The data can also be downloaded as an Excel spreadsheet or a .csv file. The intention is both that organisations which might wish to bid for public work have the necessary information but also for private citizens to have detailed information about how money has been used.

## 7. Recommendations

### Enhancing the outcomes we achieve through our Improvement Plan

In [Section Four](#) we laid out our high level aims and objectives for this strategy. Throughout the period of the strategy delivery of these will be managed through an operational action plan.

This section draws out the most significant enhancements we aim to make in the coming year.



### Work in partnership with suppliers to enhance the social value we achieve

#### Social and Economic Impact

We are focused on developing our approach to how we access, manage and monitor the use of [community benefits](#) in our contracts. The work we have done so far aspires to link the needs of communities with the benefits offered by suppliers when bidding for Council contracts. It is hoped that this will deliver the best possible social value for the communities of Perth and Kinross, while building partnerships between businesses and community groups.

We also aim to create more opportunities to access the goods and services offered by organisations which identify as [supported businesses](#). Such organisations have employment policies which mean that at least 30% of their workforces are people who are experiencing disadvantage in terms of their employability. Procurement legislation allows public bodies to reserve contracts for delivery by supported businesses only. This legislation is in place to encourage public bodies to use expenditure to create opportunities for these workforces. Perth and Kinross Council already use a number of supported businesses and will continue to expand on this during 2019/20.

Another area of focus will be how we work with existing or emerging [social enterprises](#) in Scotland. A census carried out in 2017 identified 5,300 social enterprises in Scotland with 599 (11%) having started in the previous 24 months. This sector of the business community has significant potential to support the changing landscape for public services in Scotland. Working locally to understand how this shift can benefit communities within Perth and Kinross will be a key part of our activity in 2019/20.

We will do this by engaging with registered social enterprises to understanding more about the potential that can help achieve local aims. Where evidence suggests the social sector may have a significant offer and role to play we will consider smaller-sized contracts. It is anticipated that this sector, along with the third sector, will continue to develop in response to legislation such as The Social Care (Self-directed support) (Scotland) Act 2013. The role of the Council in this context is to provide, or signpost to, as broad a range of solutions as are available from all third parties.

In all contracting work, including that undertaken beneath collaborative framework agreements, we will ensure that value is the primary means of assessment: this includes environmental and social value. There is an active intention for Perth and Kinross Council, and our CPPs to achieve this by [commissioning for outcomes not outputs](#), and to pick those outcomes smartly.

### Fair Work

In the work which is carried out to establish contracts we are committed to work with our third party providers to promote the value of Fair Work for all. Fair Work is defined as work that offers **effective voice, opportunity, security, fulfilment and respect**. We consider all dimensions of the Fair Work Framework to be relevant in the wide range of working environments in which Council contracts operate.

The ways in which Fair Work practices will impact on the quality of the contract will differ depending on the nature and size of the contract. Different elements of the Fair Work Framework will be more relevant to target in some contracts depending on areas of risk and the likely impact of Fair Work on the quality of the contract.

Our processes for selecting suppliers include requirements for prospective contractors to provide information on their approaches to various elements the Fair Work agenda. We ensure that those bidding for our contracts are compliant with employment law, as well as make suitable arrangements for sound health and safety and wellbeing of those working on the contract; or affected by the work carried out.

Our consideration of Fair Work will allow us to explore practices in respect of recruitment, retention and the types of employment contracts in use. Through our use of community benefit clauses our approach to skills development and training opportunities is growing, with the positive impact being recorded in our Annual Report. This aligns to the aspiration to run our construction

contracts in a manner that is consistent with the Construction Charter, and we will work with contractors to advance this agenda. We also acknowledge existing national agreements in place in the construction sector and will strive to work with the contractors exhibiting high standards in respect of workforce practices.

As an Accredited Living Wage employer Perth and Kinross will also encourage third parties working on our behalf to pay the Scottish Living Wage. Procurement exercises carried out in recent years have successfully secured living wage payments to employees working on our behalf. We will continue to ask our prospective suppliers about their approach to Fair Work and to encourage fair work practice.

### Environmental Impact

Perth & Kinross Council have identified the need for a proactive approach to transform around the way we buy, use and dispose of single use materials generated from the organisation's service delivery. We set out this intention in the 2018/19 strategy but changes to our resources in waste management and in national trends mean there is still more to do in 2019/20.

Procurement and Waste Service colleagues are working jointly to review:

- The single use materials in scope (e.g., single use: plastic or paper-based cups/cutlery/tableware; water bottles; straws; paper towels; other consumables, such as aprons used in care; foil trays etc.);
- Identify alternative reusable material options and related servicing requirements;
- Potential operational working practice impacts;
- A full life costing assessment of disposable vs reusable by type;
- The financial implications or savings derived from purchasing or implementing new materials and practices;
- A comprehensive equalities impact assessment for vulnerable persons in the Council's care;

The findings of the review may lead to new contracting procedures or variations to existing purchasing arrangements.

### **Enhance the ways in which we offer support to businesses.**

We will work with the business community to identify appropriate support mechanisms to ensure all those interested in becoming more familiar with our procurement processes have the information they need. Support offered to businesses, including the third sector, is primarily carried out in one of three ways; provision of information, provision of training and the provision of feedback.



**Information** is both published and also provided through events. Published information aims to make the procurement work of the Council more transparent. Each new contract, directly procured, will be advertised on the national advertising portal, This portal also facilitates the publication of our Contract Register and the Contract Delivery Plan. Together these tools can be used to improve the transparency around Council procurement activity. Events to which prospective suppliers might be invited could be contract specific or more general. Specific events help us to shape contracts with a better understanding of the market. General events include a national Meet the Buyer conference run by the Supplier Development Programme (13 November 2019), a northern event, this year in Aviemore on 4 September and a Tayside Meet the Buyer (mid Feb each year).

A programme of **training** for businesses is offered in conjunction with the Supplier Development Programme. The programme for has been structured to ensure local bidders are able to easily access local events. These training sessions will include access to Council procurement staff to answer more specific questions about local opportunities.

Every participant in a procurement exercise, including collaborative procurement, is already invited to participate in a **feedback** session on the process followed. This offer is made in order to facilitate two way feedback about the ways in which the process can be improved or the way any given company engaged in the process can build on their experience.

We will continue to develop the support offered based on what businesses tell us is useful.

### **Explore opportunities for greater collaborative working across Tayside particularly, but also across the whole public sector generally.**

The Council already has a strong track record on working collaboratively on procurement. The principle vehicles for collaborative procurement are set out in [Section 5](#) of this strategy. The next steps for collaboration will be to develop our partnership working by building on the sound work we are already doing through Tayside Procurement Consortium. We will strengthen our agreement to work with Angus and Dundee City Councils on contracts by structuring our teams in a way which is beneficial to all three councils.

## 8. Monitoring, Reviewing and Reporting performance

### Reporting

Ensuring that procurement performance is reported regularly to an appropriate committee was highlighted as an essential requirement in the [Accounts Commission Report on Procurement in Councils](#). Progress on the delivery of this strategy and a report on procurement savings and non-financial procurement benefits will be considered by Council committees on an annual basis.

### Monitoring

Regular updates on this strategy are provided to senior management, with each directorate reviewing their contractual arrangements as part of their own performance monitoring. Updates on progress being made to meet the aims and objectives set out in [Section Four](#) of this strategy and on the execution of the recommendations in [Section Six](#) will be made through the annual reporting regime.

### Review

In alternate years an independent review of the Council's procurement capability will be undertaken. The Council procurement functions are benchmarked against an assessment tool, the Procurement Capability and Improvement Programme (PCIP). The assessment requires the submission of defined range of data and documentation as well as an on-site visit by the assessors. Perth and Kinross Council were most recently assessed in October 2018. It is expected the next review will take place in 2020.

Our 2018 PCIP assessment placed the Council capability in band 1 (over 70%). This exceeded our stated aim which was to move into band 2 (66-70%). Learning taken from each assessment is used to inform the Procurement Improvement Action Plan.

### Revision process

This strategy will be reviewed by 31 March 2020. Our future strategy documents will reflect a more formal procurement relationship with Angus and Dundee City councils. From 2018 publishing an annual procurement strategy is a statutory requirement and we will compile ours in April each year with publication following after consideration at the next meeting of the appropriate committee.

## 9. Strategy Ownership and Contact Details

Procurement is included in the portfolio of the Deputy Chief Executive, Chief Operating Officer; Jim Valentine.

The Council's Procurement Team sits within the Corporate and Democratic Service of the Council structure and within the Finance division which is led by Stewart Mackenzie.

The Corporate Procurement Manager, Mary Mitchell, has responsibility for managing the provision of a professional procurement service ensuring that legislation, agreed policies, professional standards, procedures and principles are followed.

### Contact details

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2 High Street  
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PH1 5PH  
01738 475521  
[contracts@pkc.gov.uk](mailto:contracts@pkc.gov.uk)

## 10. Policies, Tools and Procedures

### Policy - Developing our Supply Chain

The Council fully considers how the following matters can be addressed, where appropriate, in its procurement activities:-

- The payment of a living wage in relevant contracts.
- The inclusion of community benefits requirements.
- The engagement and involvement of those affected by the procurement exercise.
- The promotion of compliance by contractors and sub-contractors with Health and Safety at Work legislation.
- The procurement of fairly and ethically traded goods and services.
- In relation to procurement activities relating to food, the Council will consider how to procure sustainably grown food which represents value for money whilst improving the health, wellbeing and education of communities in our area and promoting the highest standards of animal welfare.
- The payment of invoices in line with contractual terms throughout the supply chain.



Each of the icons above provides a link to more detailed information on the policy area via [www.pkc.gov.uk](http://www.pkc.gov.uk) .

## Policies, Tools and Procedures continued

### Tools

We will use as many of the tools available to us as are practical to ensure we engage with those affected by our procurement. Some routes to engage with communities and businesses include:

Local Action Partnerships working within communities across the Perth and Kinross area

Where appropriate we will signpost businesses to the national support tool; the [Supplier Journey](#)

We will facilitate access to training in procurement processes or systems when we make changes to our practice.

We are members of the Supplier Development Programme which provides a range of [free tender training workshops](#)

We will work with those affected by our procurement to ensure our communication with businesses and suppliers continues to improve.

Our Contracts Register will be maintained to ensure that we are transparent about the contracts we use.



## Policies, Tools and Procedures continued

### Procedures

#### Tendering

How the Council undertakes procurement is set out in our Contract Rules. These rules outline the governance we need to follow when putting a contract in place. We are required by these rules and legislation to carry out procurement in a fair, transparent and non-discriminatory way.

The Council will identify the most efficient route to market for all requirements. This will mean that a range of collaborative vehicles may be used. Award notices will be published for use of frameworks exceeding a value of £50,000.

When a new competitive procedure is required we will follow this structure:

- From **£5,000 to £50,000** we will invite **quotations** from a minimum of 3 bidders.
- For contracts valued at **£50,000 up to the thresholds set out in the EU directives** we will carry out one of the processes set out in the Procurement (Scotland) Regulations 2016; **via an advertised tender**.
- **EU regulated contracts** are those above defined values and must be **tendered** following the Public Contracts (Scotland) Regulations 2015. [Thresholds](#): Goods and Services = £181,302; Social services = £615,278 and works = £4,551,413.

In each case we will use [Public Contracts Scotland](#) as the portal for advertising our requirements.

All requirements regardless of possible procurement routes will be included in both the Council's Contract Delivery Plan and in the published Contract Register.

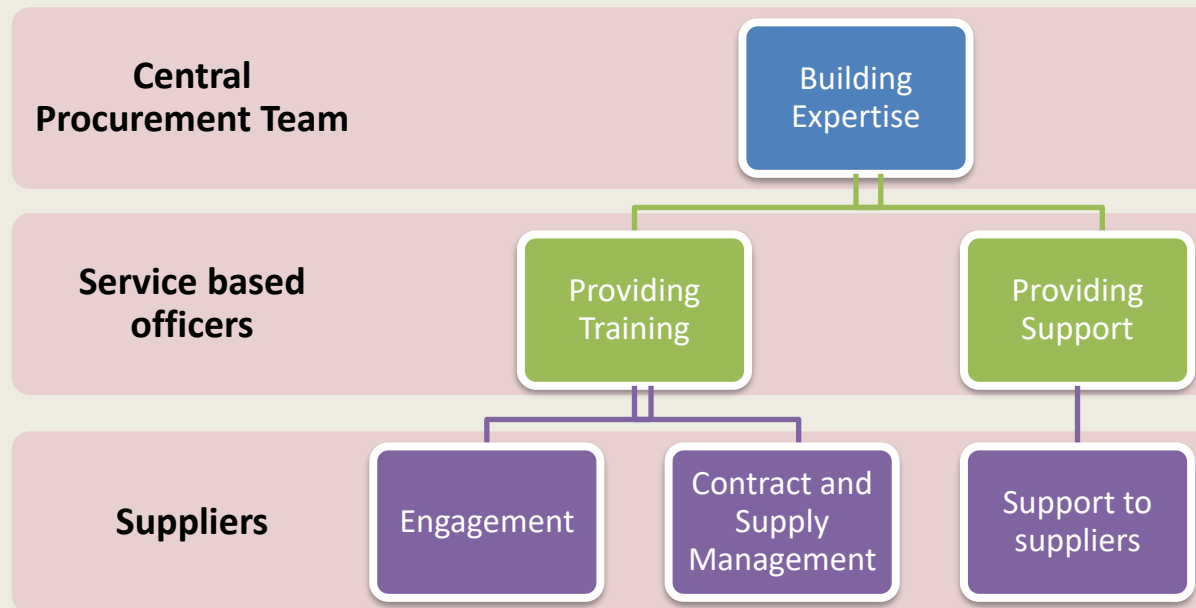
#### Systems

By May 2020 there will be a duty on public bodies to carry out the end to end procurement process electronically. The Council has already introduced electronic solutions to several stages of our processes. During 2019/20 we will continue to work with our suppliers to ensure electronic solutions are fit for purpose.

**11. Developing Procurement Activity**

As described earlier in this document a clear framework for procurement performance in public bodies is established through the Scottish Government’s Procurement and Commercial Improvement Programme (PCIP). Local authorities are regularly assessed against the criteria set out within the framework. During 2018 Perth and Kinross Council were assessed as a High Performing Council with a score in the highest available banding.

Taking account of the feedback received from assessors, consideration of the next steps to enhancing performance at this Council has been made and six areas of focus, across three main groups of stakeholders.



<b>Central Procurement Team</b>		
<b>Building Expertise</b>	<b>Impact</b> The change we aim to make	<b>Delivery Plan</b> The actions which will make change happen
Thinking Yes	To ensure we are outward looking and focused on delivering the best possible solutions for our internal and external contacts	<ul style="list-style-type: none"> <li>• DOO sessions</li> <li>• Working closely with the customer service team</li> </ul>

	the whole team will refresh their customer service training in 2019/20, building in a Think Yes approach as we refresh our style.	<ul style="list-style-type: none"> <li>Attend relevant corporate sessions</li> </ul>
Sharing Knowledge	We will build our confidence in how we communicate by creating the opportunity for all members of our team to lead meetings, present to groups and represent the Council at external events.	<ul style="list-style-type: none"> <li>Create a rota to chair procurement team meetings</li> <li>Attend (public gallery) committees during 2019</li> <li>Get involved with corporate feedback sessions</li> <li>Board meetings attended by wider range of team members</li> <li>Participate in national contract development working groups</li> <li>Delivering DOO sessions for other teams</li> <li>Deliver learning lunches</li> </ul>
Communicating well	Communicating with others is an important skillset for our team. We will consider the language we use in our written and verbal interactions. Often the legalistic context of procurement means we have to work harder to convey information in a clear and accessible manner.	<ul style="list-style-type: none"> <li>Commission some training to improve our style in 2019/20 through the Council's Leadership programme.</li> <li>Arrange job shadowing opportunities with other teams</li> </ul>
Agility in procurement	We will ensure each member of the team has a broad understanding of the full procurement cycle. This needs a greater degree of flexibility in how we support each of the job functions in our team.	<ul style="list-style-type: none"> <li>We will each learn as much about the roles of our colleagues as possible.</li> <li>In-team job shadowing</li> <li>Rotation of responsibilities</li> <li>Hold Team Planning sessions</li> </ul>
Commercial expertise	Our team is committed to gaining experience across the full range of contractual arrangements the Council makes. In particular those of us who hold Corporate Procurement Officer posts will rotate our	<ul style="list-style-type: none"> <li>Build knowledge in specialist areas by tapping into knowledge held by others</li> <li>Involvement in the specification development with subject matter experts</li> </ul>



	involvement with contract development to ensure we are continually developing skills.	<ul style="list-style-type: none"> <li>• Working alongside the service based teams</li> <li>• Attend masterclasses</li> <li>• Attend Scottish provumren conference (Procurex)</li> <li>• Attend relevant contract delopment meetings</li> <li>• Corporate Procurement Officers will rotate their involvement with contract development to ensure the continuing development of skills</li> <li>• Hold proactive planning sessions with customers to strengthen our approach to category management</li> </ul>
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<b>Support for Service based officers</b>		
<b>Providing Training</b>	<b>Impact</b> The change we aim to make	<b>Delivery Plan</b> The actions which will make change happen
Training provision and Skills Development	<p>We will introduce a new approach to identifying and engaging with our customers this year.</p> <p>We will schedule regular meetings across Council divisions and establish written plans for all significant procurement exercises.</p> <p>Achieving Social Value from community benefit clauses will be a key element of each plan.</p>	<ul style="list-style-type: none"> <li>• Introduce change through Corporate Procurement Group meetings</li> <li>• Publish quarterly Procurement Newsletter</li> <li>• Target emails to specific groups</li> </ul>
	By taking a proactive approach to identifying what support will be needed by each division we will be well placed to tailor the support we provide for contract development and future contract management to individuals.	<ul style="list-style-type: none"> <li>• Schedule training for officers to align with contract delivery plans</li> <li>• Gather information from training meetings</li> <li>• Use of new decision matrix for training</li> </ul>
	To ensure we are well organised to deliver we	<ul style="list-style-type: none"> <li>• Publish and keep training calendar</li> </ul>

	will refresh training content and publish a training calendar at the beginning of 2019.	<p>upto date on eric</p> <ul style="list-style-type: none"> <li>• Develop tailored training sessions throughout the year</li> </ul>
	In recent years we have grown the proportion of our expenditure which is directed through collaborative purchasing arrangements. To support this there is a need to develop skills of officers calling contracts off from these arrangements.	<ul style="list-style-type: none"> <li>• Mini completion training will be delivered through 2019</li> <li>• Introduce CSM training</li> <li>• Develop case studies</li> <li>• Promote the potential for contract modification – specification development</li> </ul>
<b>Providing Support</b>		
Customer Support	<p>Throughout the Procurement Transformation Project (January 2016 to March 2019) a portfolio of support tools has been developed.</p> <p>Committing to continuous improvement of these tools in 2019 and simplifying both our processes and documents is the next logical step.</p> <p>Promote two way communications with our customers</p>	<ul style="list-style-type: none"> <li>• Review our communications by making it easier to find information with fewer clicks.</li> <li>• Promote our range of videos and self-service tools</li> <li>• Use face to face consultations to seek views of our customers</li> <li>• Use Corporate Procurement group</li> <li>• Explore use of electronic forms/surveys to elicit feedback/suggestions</li> <li>• Produce guidance on risk management on High, Medium and Low Risk contracts – with clear guidance for each segment</li> <li>• Use of MI (Management Information) in Contract Strategies and ensure these are details in the development stage</li> <li>• Ensure MI requirements are specified clearly in contract documents</li> </ul>

<b>Suppliers</b>		
<b>Engagement</b>	<b>Impact What changes</b>	<b>Delivery Action How we will deliver</b>
Key points of contact for Council staff with our supply base.	Some of the Engagement work stream will involve working with businesses and third sector providers (charities and other not for profit organisations) who may not at this time be supplying any goods or services to the Council. The term is used interchangeably with what procurement legislation defines as 'economic operators' and any entity with an interest in public contracts.	<ul style="list-style-type: none"> <li>• Create opportunities for change and innovation during the contract lifecycle</li> <li>• Consult with suppliers on the drafting of our Procurement Strategy and approach to delivering social value through contracts</li> </ul>
Contract and Supply Management	Through this work stream we aim to have two way communications with suppliers about the issues that impact on Council supply of goods and services and the completion of works projects.	<ul style="list-style-type: none"> <li>• Use new Consultation Hub software (February/March)</li> <li>• Participate in the Tayside Meet the Buyer event (usually in February)</li> <li>• Participate in events hosted by the Supplier Development Programme</li> </ul>
Support to Suppliers	We will put more resource into supporting suppliers understanding of how Perth and Kinross Council applies procurement legislation to our contract portfolio. We will publish information which helps suppliers to identify which contracts are pending and when tender documents are to be available.	<ul style="list-style-type: none"> <li>• Publish the Contract Delivery Plan on the Council website</li> <li>• Diarised face to face sessions will be available to any supplier who has questions or issues to resolve, as long as these are general and not specific to a procurement process which is already in place</li> <li>• Q&amp;A facilities in our sourcing systems will be used for questions or issues during a 'live procurement'</li> </ul>
Implementing our contracts	Following the award of contracts the procurement team and the service based contract managers will work with appointed suppliers to ensure that the contract works as well as possible	<ul style="list-style-type: none"> <li>• At the early stages of contract development the Contract Management approach will need to be considered, with processes being embedded with the selected supplier at the start of the contract.</li> </ul>

## Glossary

This glossary includes an expanded definition of some of the procurement terms used in the Procurement Strategy.

TERM	DEFINITION
<b>Best Value (BV)</b>	The Local Government in Scotland Act 2003, placed a statutory duty of Best Value upon local authorities in the discharge of their functions. The principles make clear that Councils have a duty to "make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness". This improvement involves consideration of costs, making the most of money spent, and making sure that services meet the needs of communities and authorities' priorities.
<b>Benchmarking</b>	A process of continuously measuring and comparing an organisation's processes against comparable organisations to gain information to help performance improvement e.g. "best in class" achievement.
<b>Commissioning</b>	The process of ensuring that services are provided effectively meets the needs of the population. Often a complex process with responsibilities ranging from assessing client needs, prioritising outcomes, procuring products and services, and managing the relationships with providers of services.
<b>Commissioned Services</b>	This term is used to describe services for which a third party organisation has been engaged to manage delivery.
<b>Community Benefits</b>	Community benefits are defined in legislation as a contractual requirement imposed by a contracting authority: relating to training and recruitment, the availability of sub-contracting opportunities or which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.
<b>Contract</b>	A legally binding agreement put in place to perform services, to provide products or to carry out works. In order for a contract to be formed one party must make an offer, which in turn has been accepted with a consideration being exchanged, usually money.
<b>Contracts Register</b>	Published database of the contracts let, and used by Perth and Kinross Council. The Contracts Register is updated automatically each time a contract is awarded through the PCS portal.
<b>Governance</b>	The framework of authority and control within an organisation.
<b>Official Journal of the European Union/OJEU</b>	The publication in which all high value public sector contracts in the EU must be advertised.
<b>Public Contracts Scotland</b>	A national advertising website where all Scottish public sector organisations can publicise their contract opportunities. This platform links to OJEU and ensures all contract notices for Scottish Public Sector contracts may be reviewed in one place.
<b>Public Contracts (Scotland) Regulations</b>	Public procurement law regulating the purchasing by Scottish public sector bodies of contracts for goods, works or services for contracts above values defined by the EU Directive for Public Procurement.

TERM	DEFINITION
<b>Procurement Commercial Improvement Programme (PCIP)</b>	The objective of the PCIP is to assist organisations to improve their structure, capability, processes and ultimately their performance. A bi-annual assessment is carried out to ensure organisations are performing against the standards set out in the PCIP.
<b>Procurement</b>	The process of sourcing goods, services or contracts for construction works.
<b>Quality</b>	Fitness for purpose when judged against the standards specified in the contract.
<b>Scotland Excel</b>	A national collaborative buying initiative representing the 32 Scottish local authorities.
<b>Scottish Procurement</b>	Part of the Scottish Procurement and Commercial Directorate of the Scottish Government, Procurement Scotland is responsible for developing and implementing contracts for the use of all Scottish public sector organisations.
<b>Small and Medium sized Enterprises (SMEs)</b>	Firms that employ less than 250 people and have a turnover of less than £50m.
<b>Social enterprises</b>	A firm created with the delivery of social value as part of the core purpose, with profits or surpluses being used to advance that purpose.
<b>Social Value</b>	The process through which services to be bought, or the way they are going to buy them, could secure these benefits for their area or stakeholders.
<b>Specification</b>	A description of the essential technical requirements for goods or services to be delivered under a contract, including the method for checking that the requirements have been met.
<b>Stakeholders</b>	Individuals, groups or organisations that are affected by and/or have an interest in a particular issue or organisation e.g. customers, partners, employees, shareholders, and government.
<b>Supply Chain</b>	The flow of resources into and out of the organisation. The public sector chain can be said to start with the suppliers of to each layer of our suppliers and ends with the customers – the private citizens within our area.
<b>Supplier Development Programme</b>	A local authority partnership programme established to offer small and medium sized enterprises (SMEs) the opportunity to grow and diversify through procurement.
<b>Supported Business</b>	A supported business draws at least 30% of the workforce from the most disadvantaged groups in our communities.
<b>Sustainable Development</b>	Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' e.g. the environmental and social impact of today's actions that may affect the ability of future generations.
<b>Sustainable</b>	The application of sustainable development principles to procurement (see above).

TERM	DEFINITION
<b>Procurement</b>	
<b>Tayside Procurement Consortium (TPC)</b>	The Tayside Procurement Consortium delivers contracts for the three Tayside local authorities, Angus Council, Dundee City Council and Perth and Kinross Council. More information on the consortium's activity can be found <a href="#">here</a>
<b>Thresholds</b>	The financial threshold above which certain procedural aspects of the procurement Regulations become mandatory.
<b>Transparency</b>	Clarity for potential suppliers and citizens as to what is planned and the steps that will be taken in relation to a procurement process, and performing that procurement process as described in publicly available documents.
<b>Vision</b>	A statement describing how an organisation wishes to be in the future.