



Procurement Strategy 2016 to 2018

Date of meeting 9 December 2016

Date of report 1 December 2016

Report by Assistant Chief Executive (Business Support)

1. Object of report

To obtain the Partnership's approval to the attached Procurement Strategy.

2. Background

The Procurement Reform Act (Scotland) 2014 requires SPT to produce a Procurement Strategy, seek approval for the Strategy from the Partnership, publish on the internet and notify the Scottish Government of compliance.

The Act includes a number of mandatory requirements for the Procurement Strategy. Building on existing procurement practice within the SPT, the attached Strategy addresses these mandatory requirements.

In 2016/17, SPT's revenue and capital budgets include approximately £114 million of expenditure which has or will be procured externally.

3. Outline of Proposals

The Strategy sets out our vision for improving procurement throughout SPT from 2016 to 2018. This vision is to deliver a service which continues to be:

- Compliant
- Commercially effective
- Professional
- Responsive

The Strategy includes an estimate of future budgets requiring procurement activity and a detailed action plan and objectives are included at Appendix 1 and Appendix 2. These will support SPT in delivering key objectives and in continuing to focus on delivering best value.

4. Partnership action

The Partnership is recommended to approve the attached Procurement Strategy.

5. Consequences

Policy consequences	<i>N/A</i>
Legal consequences	<i>Compliance with the Procurement Reform (Scotland) Act 2014</i>
Financial consequences	<i>Effective procurement is a key enabler to SPT achieving its financial goals. This Strategy will support this.</i>
Personnel consequences	<i>None</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>As detailed in the Strategy</i>

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Strathclyde Partnership for Transport
Procurement Strategy
2016/2018



Procurement Strategy 2016/2018

Contents	page
1. About Strathclyde Partnership for Transport	2
2. Our Vision - Improving Procurement	4
3. Strategy Objectives	5
3.1 Purpose of the Procurement Strategy	5
3.2 Procurement Strategy Objectives	6
3.3 Key Drivers	7
4. Expenditure Analysis	8
4.1 Current Expenditure Analysis	8
4.2 Future Expenditure Estimate	9
5. Key Risks	10
5.1 Compliance	10
5.2 Commercially Effective	10
5.3 Professional	10
5.4 Responsive	10
Appendix 1: Procurement Strategy Action Plan	11
Appendix 2: Detailed Objectives	16

1. About Strathclyde Partnership for Transport



Strathclyde Partnership for Transport is the Regional Transport Partnership for the west of Scotland covering 12 council areas.

SPT's Partnership Board is made up of 20 elected members representing 12 constituent councils, and in 2015/16 there were seven Appointed Members.

The Partnership is chaired by Councillor Jonathan Findlay along with Vice Chairs Councillor Denis McKenna and Councillor Kaye Harmon. The Partnership's policies and decisions are implemented by SPT staff under the strategic direction of Chief Executive, Gordon MacLennan, Assistant Chief Executive (Business Support), Valerie Davidson and Assistant Chief Executive (Operations), Eric Stewart.

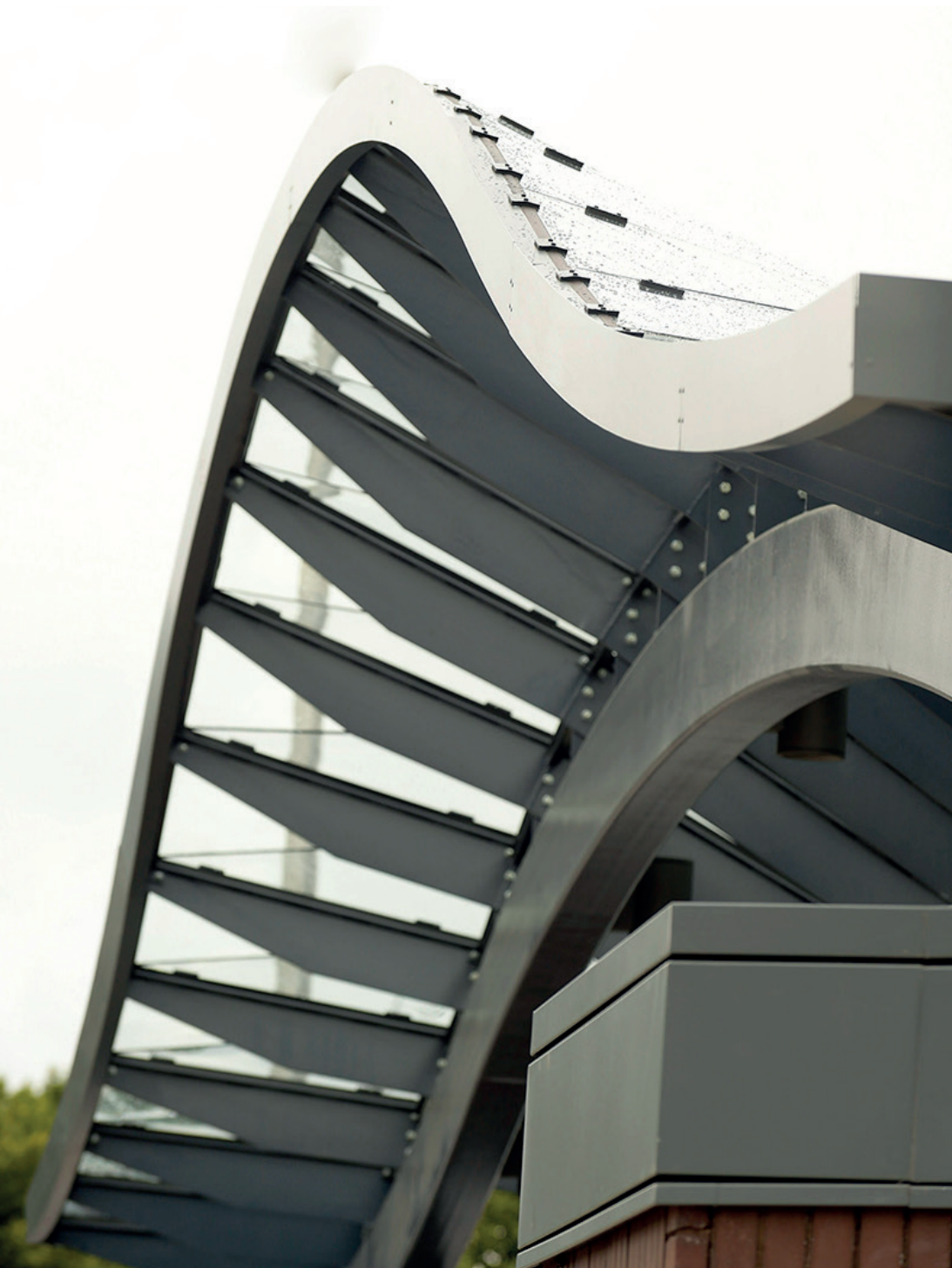
SPT is at the heart of the region's transport planning, operations and project delivery; working to develop a joined up network now and for the future. We provide subsidised local bus services, are instrumental in the delivery and growth of community transport, and provide demand responsive services – MyBus – in areas not served by the commercial market and in rural communities where public transport would otherwise be unavailable. We deliver on street bus shelters and stops and are

a key influence in the design of the bus network.

SPT organises the biggest school run in Scotland – getting around 38,000 pupils to and from school every day. We own and operate Buchanan, East Kilbride, Greenock and Hamilton bus stations with a total of around 1.2 million bus departures from our stations every year.

SPT also own and operate the Subway in Glasgow – the world's third oldest underground system and a vital part of the west of Scotland's transport network. The Subway carried nearly 13 million passengers in 2015/16.

We continue with modernisation of the Subway which will transform the network and enhance our customers' travel experience. A major milestone was reached in 2015/16 with the award of contracts for over £200 million for the manufacture and delivery of new rolling stock, signalling and control systems, control room and associated equipment.



SPT's Subway continues to operate its Smartcard ticketing system, with to date more than 110,000 Smartcards issued. On behalf of operators, SPT is also responsible for the operation and administration of the region's ZoneCard – an integrated multi-modal ticketing scheme – and on behalf of the 12 councils, the Strathclyde Concessionary Travel Scheme which provides discounted travel for those who are eligible on rail, subway and ferry.

We also work with many other organisations central to the planning and delivery of transport, including constituent councils, Transport Scotland, Clydeplan and public transport operators to name a few.

'A Catalyst for Change', the Regional Transport Strategy (RTS) for the west of Scotland 2008 – 2021, sets out SPT's vision and high-level strategy for improving transport across the west of Scotland. It seeks to deliver our four Strategic Outcomes. These are:

- Attractive, seamless, reliable travel;
- Improved connectivity;
- Access for all; and
- Reduced emissions.

The RTS is supported by a Delivery Plan, which sets out the key investments, services and initiatives to be delivered in the shorter term to work towards achieving the strategic outcomes for the region.

In addition to our responsibilities as the Regional Transport Partnership, we also have responsibilities as a public body to ensure that public money is safeguarded and properly accounted for, used economically and efficiently. We must also ensure that we can demonstrate improved service delivery. This is underpinned by robust governance arrangements and processes.

SPT's functions are determined by the Transport (Scotland) Act 2005, which effectively transferred the functions of Strathclyde Passenger Transport Authority (SPTA) and Executive (SPTE) to the regional transport partnership for the west of Scotland. This resulted in SPT assuming the majority of responsibilities and roles of the former SPTA and SPTE with effect from 1 April 2006.



2. Our Vision - Improving Procurement

Procurement is a key enabler in SPT delivering its organisational goals effectively and continuing to demonstrate best value. Successful delivery of this strategy will require full commitment and partnership working between the Procurement Team and all operational departments within SPT. The vision and action plan contained within this Strategy are therefore very much a corporate effort and will be driven forward across the organisation.

Our vision is to deliver a service which continues to be:

Compliant

Commercially effective

Professional

Responsive

This will help deliver the following benefits to SPT:

- We will deliver compliant procurement, conducted within the current legislation, which means that not only will SPT be adhering to our legislative obligations but also SPT will reduce the risk of being successfully challenged on procurement processes.
- Every contract will be procured with value for money being a consideration along with quality, thereby ensuring SPT focuses on best value.
- Working closely with operational departments, procurement will provide advice on the best way to support achievement of SPT goals.
- The Procurement Team will transition from a process led department to an organisational objectives led department, meaning procurement will become flexible enough to facilitate the delivery of SPT goals.

We will develop stronger partnerships within the organisation to procure works, goods and services, ensuring excellent customer service and supplier contract management. We will build a reputation for SPT as leaders in procurement, securing innovation, agility, value and quality from our supply chain.

The aim is to develop a culture where efficiency and continuous improvement are at the heart of procurement across SPT. This will enable SPT to demonstrate that our public funding is spent wisely. We aim to increase staff awareness about the benefits of effective procurement, particularly in areas of high priority, such as Subway Modernisation and Bus services, enabling SPT to meet its strategic priorities. We also want to empower staff to buy locally for low risk low value procurement which contributes to our communities.

“Improving Procurement” is critical to our approach going forward. We recognise that by operating a strategic approach to procurement from the initial identification of needs, through tender and mobilisation for continued supplier and contract management we will help to improve our procurement service. By taking a whole life approach to procurement we will help to improve our organisation.

3. Strategy Objectives

3.1 Purpose of the Procurement Strategy

The purpose of this strategy is to set out a strategic procurement framework for SPT aligned to our key objectives and an action plan that will enable us to achieve these objectives and lead to the delivery of continuous, clear and quantifiable improvements in our procurement performance in 2017/2018 and beyond. This strategy and action plan for improvement will be reviewed annually, in order to maintain and continue improving service delivery.





3.2 Procurement Strategy Objectives

This strategy sets a direction for the improvement of the procurement function across SPT for 2017/2018. The specific aims are to continue to be:

Compliant

Ensure all procurement activities are compliant with EU, UK and Scottish Procurement Laws and Regulations.

Commercially effective

Ensure that procurement works in partnership with operational departments to understand the commercial drivers for SPT, with particular emphasis on developing a comprehensive specification and deliver measurable year on year efficiencies and savings.

Procurement will work in partnership with operational departments to deliver innovation by identifying opportunities for the organisation.

Procurement, working in partnership with operational departments, must be proactive and drive improvements within the full supply chain (internal & externally).

Embed simplified processes, templates and guidance for all staff across SPT to ensure that we are continually improving and reflect the needs of the organisation.

Improve competition within the supply chain for procurement opportunities.

This will deliver savings to SPT.

Professional

Deliver a professional service with sufficient skills across the Procurement Team to be able to provide professional advice on all contractual issues.

Ensure procurement knowledge, with particular emphasis on the development of specifications, is cascaded throughout the organisation to all involved in procurement processes.

Ensure the continuous improvement of procurement activities, market knowledge, collaboration, joint innovation and effective supplier management.

Measure key departmental outputs including supplier performance and value for money.

This will support the achievement of SPT's overall goals.

Responsive

Develop a more proactive approach with our clients so that future needs for the purchase of works, goods and services are anticipated and jointly developed and alternative options for delivery can be considered as part of continuous organisational improvement.

This will develop stronger relationships with our supply chains to ensure that we deliver high quality, cost effective services for our clients.

3.3 Key Drivers

3.3.1 SPT Organisational Strategy

First and foremost procurement must assist with delivering the SPT strategic aims, particularly as noted in 'A Catalyst for Change', the Regional Transport Strategy (RTS) for the west of Scotland 2008 – 2021 which sets out SPT's vision and high-level strategy for improving transport across the west of Scotland.

3.3.2 EU Procurement regulations

SPT must adhere to EU, UK and Scottish Procurement legislation. It is a key element of our role to make sure that any contract we award is done so by complying with the applicable regulations.

The Scottish Government has incorporated, the EU directives, into the following Scottish Legislation; The Public Contracts (Scotland) Regulations 2015 and the Procurement Reform Act 2014. And The Utilities Contracts (Scotland) Regulations 2016,

3.3.3 Procurement Reform Act 2014

The Scottish Government has described the aim of the Procurement Reform Act 2014 as being to establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement processes and systems which are transparent,

streamlined, standardised, proportionate, fair and organisation-friendly.

The new Act essentially creates a three tier procurement regime for public contracts in Scotland.

Tier 1: EU Regulations will continue to apply to contracts above the thresholds set by the EU, this is revised biennially in January.

Tier 2: Regulated procurement: the Procurement Reform Act will apply to public contracts below the EU thresholds but above the following: (i) public works contracts with a value of £2 million or above; and (ii) public services and supply contracts with a value of £50,000 or above.

Tier 3: Routine procurement: Any procurement under the "regulated" values can be procured utilising routine procurement methods.

All tiers must be procured in line with the SPT Standing Orders Relating to Contracts and the delegated authority levels.

The Act creates some new obligations for contracting authorities, such as the requirement to prepare and publish a procurement strategy and an annual procurement report. In addition, a register containing details of all contracts awarded as a result of regulated procurements must be made available online. The Act also sets out specific rules relating to community benefits, which will apply to all regulated

procurements with an estimated contract value of £4 million or more.

3.3.4 Department for Transport: Best Practice Guidance 2013

In October 2013 a report was published titled: **Tendering Road Passenger Transport contracts: best practice Guidance**. This detailed useful routes for passenger transport procurement including the option to ensure "Best Value" without the need for competition.

3.3.5 McClelland Report 2006

This report was highly influential within the procurement community in the public sector, in particular its vision of increased efficiency and professionalism through structured collaboration and the adoption of best practice. The Procurement Reform Act builds on the original McClelland Report by providing further guidance and direction on the process to be utilised within procurement activities.

3.3.6 Audit Scotland Report

In April 2014, Audit Scotland published a report titled 'Procurement in Councils'. This report provided a supplement and a checklist. The checklist details areas that procurement should consider such as financial and non-financial benefits of the contract including environmental, community and other benefits. This will be utilised to guide best practice.

4. Expenditure Analysis

4.1 Current Expenditure Analysis

Currently £94 million is purchased within the scope of procurement. In 2015/16 180 contracts were awarded (with the exception of bus service contracts which were in excess of 1,500). Of these 46 categories were at the OJEU level, 27 were at the Regulated level (as directed by the Procurement Reform Act) and 48 which were procured utilising routine methods. SPT requires that all expenditure is spent wisely with the most efficient supply chain ensuring that best value is achieved.

In order to analyse this expenditure appropriately it was divided into 120 categories, with each category being given a risk score and value score based on a 4 year contracted position.

By utilising a risk value matrix, where the risk is assessed as the ease to procure a replacement for the service if the provider was no longer in situ, i.e. marketplace robustness. Value was assessed by the three tiers, OJEU, Regulated or traditional.

The following matrix was developed.

Number of categories and examples				
OJEU	12 (cleaning, marketing, printing)	9 (FM, Agency Staff)	18 (bus shelters/labour)	12 (bus operators, works, IT software)
Regulated	7 (stationery, document storage)	9 (fuel, alarm systems, publishers)	8 (consultants)	3 (ferry operators)
Routine	13 (signs, marketing designs, catering)	13 (fleet hire)	11 (tools, industrial gas)	7 (minor works, M&E)
	Low risk	Medium risk	High/medium risk	High risk

What the table above demonstrates is that something of low value may actually have a higher risk and require greater procurement involvement, than is currently illustrated within the Standing Orders Relating to Contracts. For example industrial gas may have a very low expenditure but requires the supplier to indemnify SPT in the event of a failure, therefore the service should be subject to greater procurement scrutiny.

Each of these sectors will be given a high level strategy as to the skill and processes required to procure those

categories. For example routine low risk categories, involve routine procurement with a focus on cost, whereas in the OJEU high risk sector the process involves conducting a strategic procurement exercise with a greater understanding of the category and the commercial aspects.

This analysis helps to inform the skills analysis within the Procurement Team and for operational staff engaged in the procurement process.

4.2 Future Expenditure Estimate

The procurement strategy supports SPT's annual expenditure plans as detailed in SPT's approved budget. This budget is published on the SPT website. It must be noted that all expenditure is only indicative, and is subject to change given that SPT has no funding information beyond 2016/17.

Please note much of this expenditure has already been procured such as the station modernisation works will be drawn from the SPT framework and the Rolling Stock, Signalling and Associated Equipment contract has already been procured.

There are 55 contracts which require to be re-procured or reviewed in the coming year.

	Budget 2016/17	Budget 2017/18	Budget 2018/19
Rolling stock	£31,400,000	£64,100,000	£36,400,000
Bus school contracts	£26,205,341	£26,205,341	£26,205,341
Subway operations	£24,070,000	£13,090,000	£6,940,000
Bus operator payments	£12,617,900	£13,304,976	£13,304,97
Other third party payments	£4,899,646	£4,416,676	£4,805,498
other property costs	£3,316,850	£2,420,135	£2,533,022
Bus operations	£3,275,000	£5,275,000	£1,525,000
Supplies and services	£2,364,813	£3,065,901	£2,981,662
Corporate	£1,765,000	£1,956,000	£820,000
Electricity	£1,608,400	£1,568,950	£1,569,924
Bus shelters and stops	£711,375	£711,375	£711,375
Bus vocational contracts	£688,068	£688,068	£688,068
Property insurance	£600,000	£600,000	£600,000
Repairs and maintenance	£489,425	£464,925	£381,925
Transport and plant costs	£338,800	£180,000	£180,000
Communications	£221,000	£181,000	£181,000

5. Key Risks



5.1 Compliance

The introduction of the Procurement Reform Act and the Remedies Directive has the potential to encourage unsuccessful tenderers to challenge the outcome of a procurement process. As the process to challenge will be made easier and cheaper to the supplier, the effect is that challenges could be increased in numbers and become more frequent.

A key risk for procurement is to ensure that the organisation is compliant with the Public Contracts (Scotland) Regulations and the EU regulations on procurement above the following thresholds: Supplies - £173,934; Services - £173,934; and Works - £4,348,350.

Compliance with the procurement reform Act is also required for all Goods and services over £50,000 per contract and for works over £2 million per contract.

5.2 Commercially effective

If during the life of a contract a contractor or supplier performs poorly, the risk to services can be critical. It is therefore imperative that the Procurement Team and operational departments work together to add value to the service delivery, by monitoring the contract and supplier to ensure the contract functions in a manner that is continuously improving performance.

There is a risk of variation to contracts making the contract become, not only more expensive than budgeted for, but also could have an effect on the original competition. By strategically managing the contract through its life, these changes can be monitored proactively, rather than reported retrospectively.

5.3 Professional

A key risk to the organisation is the level of procurement and marketplace knowledge across the organisation. This is a key consideration in staff development plans.

5.4 Responsive

A key risk is timeframes to complete procurement processes e.g. OJEU. The OJEU and Regulated timeframes may be seen as a blocking factor to service delivery. However, if demand is known or anticipated this risk can be mitigated.

Appendix 1



Procurement Strategy Action Plan

In order to fulfil the procurement objectives within 2016 to 2018 which are to be:

Compliant

Commercially effective

Professional

Responsive

An action plan has been developed. These actions have measurable outcomes assigned to each section. In preparation for the Procurement Strategy annual review, these will be measured, reported and improvements will be built upon.

The 2016 to 2018 Action Plan attached identifies a number of specific action points required to support the delivery of this Procurement Strategy.

Value	Objective	Current situation	Plan	Measurable benefit	Date of completion
	Ensure e-tendering is implemented in 2016/17	Quick Quote through PCS is used but for larger tenders hardcopies are still received, stamped and controlled	<p>Implement e-tendering. This will provide full auditability with regards to tender communications, tender opening etc.</p> <p>The Procurement Team will receive full training on the system, which will then be rolled out to Bus Operations and to Bus Operators.</p> <p>This new system will also be used to facilitate tendering for transport contracts, which will considerably reduce the administration whilst increasing the efficiency of being able to issue transport contracts.</p>	<p>Reduce procurement cycle time</p> <p>Eradication of hardcopy tenders means the process time is shorter and more efficient because there is no more</p> <ul style="list-style-type: none"> • Stamping and recording every single tender • duplicate entry into PTIS <p>By implementing the Dynamic Purchasing System the bus procurement process will be improved by:</p> <ul style="list-style-type: none"> • Facilitating quicker evaluation times • Full audit trail of awards issued (no more duplicate entry into spread sheets) • Having a process which allows new entrants into the marketplace allowing greater competition where possible, which may have an effect on quality and price. 	Implemented
	Ensure the commercial aspects of the contract are considered to be best value	Currently the competitive tender process is assumed to create best value	<p>Staff involved in procurement processes must be trained and fully conversant with commercial aspects of contracts</p> <p>The commercial effectiveness must be part of the procurement process from the beginning. This will be incorporated into an options appraisal to be given to the client. In effect the most cost effective route for procurement will be chosen. This will push the supply chain to deliver a cost effective and efficient service to SPT.</p> <p>The contract must be benchmarked throughout its life and challenged if necessary</p> <p>Staff must be aware of the marketplace.</p>	Savings to be measured in the KPIs	Ongoing

Value	Objective	Current situation	Plan	Measurable benefit	Date of completion
	Establish an active sourcing strategy for each category, increasing the staff knowledge of the marketplace.	Not consistently applied	By actively sourcing and engaging with existing and new providers to the marketplace, working together with operational departments, the procurement team will become knowledgeable advisors to the client departments. The suppliers will be able to pitch innovative solutions, which may assist in delivering a more efficient service.	Increased competition for tenders	Ongoing
	Ensure all of our documentation is easy to use and reflects the three tiers so that we can utilise flexibility where we can in order to achieve the best result for our client.	Documentation is consistently used within tiers but is not currently consistent across the tiers.	Review all documentation with a view to developing a tender pack for each of the tiers.	Reduced procurement cycle time & savings as less time will be focused on documentation and more time focused on the end result.	Implemented
	Advertise all goods & Services contracts above £50,000, and works above £2million through Public Contracts Scotland	Currently this is being done for all tenders	Review the route to market for under regulated value tenders	Compliance with the Procurement Reform Act	Implemented and ongoing compliance
	Publish a procurement strategy and annual report	The procurement strategy was last reviewed in 2011	This will form part of the Procurement Manager duties to create and maintain the strategy to continually improve the performance of the department	Compliance with the Procurement Reform Act	Annually Starting December 2016
	Publish our contract register	There is currently no uniform contract register	<p>A contract register will be enhanced and maintained by the procurement team. This will have easy to access links to the contracts, and summary user guides for the clients where possible.</p> <p>A complete contract register will enable the following:</p> <ul style="list-style-type: none"> • The KPIs to be generated quickly • The annual report to be generated • Workload to be planned • The procurement team to have quick access to contract files in which to resolve contract queries • Clients to make informed supply choices, • The P2P system to be aligned to the contracted supply chain, therefore ensuring our economies of scale are maintained. 	Compliance with the Procurement Reform Act	Annually Starting April 2017

Value	Objective	Current situation	Plan	Measurable benefit	Date of completion
	Review Community Benefits clauses in contracts over £4m	Previously SPT was not legally able to request Community Benefit clauses	A review should be undertaken to establish if this can be added as an desired element of contract rather than a binding contract term.	Compliance with the Procurement Reform Act	Implemented within each procurement exercise as a consideration
	Staff Development	Adhoc, team member led training is mixed throughout the staff involved in procurement processes	A training matrix is to be developed and skills assessed against this. Training will be arranged to fill the gaps.	The staff training matrix will be measured to ensure the skills are improving within the department and identify gaps for further training and improvement	Ongoing
	KPIs. Ensure meaningful management information is created detailing contract and department performance	Data is captured concerning workload, number of orders created etc.	KPIs will be created that capture the following: Contracts awarded Expenditure Profile Savings Contract performance	The KPIs will measure the performance of the procurement department by measuring : <ul style="list-style-type: none"> • Savings • Procurement cycle time • Contract compliance: measure expenditure outwith contracts and establish action plan to address non-compliance 	Implemented: continual development ongoing
	Communication plan	Information is published on the internet. Communication is informal between key stakeholders	Strategy & actions to be consulted and communicated effectively: The communication plan will involve the following: Communications to advise and co-ordinate Strategy Team to be consulted individually and collectively. Internet to be updated with procurement strategy and innovations. Suppliers to be engaged at supplier days. Supplier training to be provided by the team.	A communication plan to be implemented involving all procurement staff, clients and suppliers. The measured success of this will be increased engagement from suppliers, and increased client satisfaction	March 2017
	We will benchmark our service delivery against best in class procurement	Currently on hold	At the beginning of the strategy we will assess where we are in relation to benchmarked best practice, we shall then review this every year to plot our progression. Need details of tool to be used.	Measure the gap between SPT procurement and best in class organisations: this facilitates the continuous improvement plans for the department	Annually Starting January 2017

Value	Objective	Current situation	Plan	Measurable benefit	Date of completion
	Ensure our systems are fit for purpose and a review shall be undertaken to assess future suitability	We currently interface systems to the corporate finance system in the P2P process We utilise one e-tendering system partially	Review to be undertaken of the P2P systems and a recommendation presented. e-tendering to be implemented	Undertake a system review and propose a plan for improvement	December 2017
	Enhance the programme of contract management, with a schedule of regular reviews with suppliers	Not consistently applied	This is not the management of day to day operational issues, contract management in this context is management of the contractual issues and performance. This is a strategic level and will assist the operational teams and the suppliers to work through any conflict arising and establish a constructive working relationship. This will involve regular business reviews, benchmarking, being a point of escalation for contract queries, revising SLAs and contract requirements as the needs of the client evolves, being prepared for future tender requirements.	Contract management will assist the operational teams and the suppliers to minimise any conflict arising and establish a constructive working relationship. The measurable benefits will be: Supplier performance scorecards: showing SPT has good performing contractors. Management of SLAs ensuring contract continues to deliver the expected returns	March 2017
	Ensure the time taken to procure goods, works & services is appropriate	Currently processes are modelled on the OJEU timeframes	As part of the organisation's continuous improvement drive, a full process review will be conducted into the time required to undertake procurement processes from request to completion. This should result in closer internal partnerships, greater understanding of the client requirements and pressures and process efficiencies.	Reduced procurement cycle time for each tier of procurement	March 2017

Appendix 2

Detailed Objectives

The Procurement Team will contribute to and support SPT carrying out its functions by:

- providing support to operational departments to ensure that there is appropriate contract cover in place, with suitable contractors and suppliers.
- ensuring all stakeholders are identified and consulted at the start of the procurement plan. This consultation forms the basis of the needs analysis and therefore develops the requirements within the scope of the contract to be procured.
- working with operational departments to ensure operational contract and supplier management is embedded, and that service level agreements are contained within relevant contracts.

Compliance

In order to be compliant with the relevant legislation we will:

- ensure e-tendering is implemented;
- advertise all goods & services contracts above £50,000, and all works contracts above £2million through Public Contracts Scotland;
- publish a Procurement Strategy and annual report;
- publish our contract register;
- utilise the European Standard Procurement Document (ESPD) for supplier selection in procurement activity over the regulated procurement threshold;
- work in partnership to ensure payment of suppliers and contractors within 30 days
- request a declaration from contractors that they shall pay their sub-contractors within 30 days.

- promote local economic development and regeneration – to actively encourage fair and open competition across a varied supply base by making it easier for all organisations, regardless of size to bid for and participate in contracts.
- ensure the supply chain has declared their compliance with relevant legislation, including but not limited to equalities, environmental, social & employment legislation.
- implement Community Benefits when it is relevant and proportionate to do so. Community Benefits will
 - » be considered for all contracts over £4million; and
 - » aim to provide opportunities for sustainable employment and continual training.
- implement fair working practices when it is relevant and proportionate to do so by remaining an accredited living wage employer. The obligation to comply with employment legislation shall be part of the assessment, however the requirement for extra living wage employment shall be addressed on a contract by contract and proportionate approach, to ensure cost effectiveness is maintained.
- promote health & safety at work compliance with contractors and sub-contractors by including as part of our consideration of suppliers before award of contracts, if they are to be present on site the assessment and verification by our Health & Safety Team of contractor health & safety questionnaires. Records are then maintained against the contractor file.

Commercially effective

To be commercially effective we will:

- ensure each above Regulated value procurement plan shall include an options appraisal, whereby value for money including total life cost are assessed where appropriate. The detail of the appraisal shall be part of the procurement plan, and the final assessment shall be part of the tender report.
- ensure the management of commercial aspects of the contract during the life of the contract, include consideration of best value. This will be done by not only measuring savings against each contract, and by benchmarking costs against market conditions, but also by ensuring best value takes into consideration other elements such as efficient and effective service delivery.
- establish an active sourcing strategy for each category.
- ensure our systems are fit for purpose and a review shall be undertaken to assess future suitability.
- ensure all of our documentation is easy to use and reflects the three tiers
- ensure all economic operators will be treated equally without discrimination. All our communication shall be delivered electronically. However to encourage those with limited experience or access to electronic tenders we shall run workshops to assist in the registering and successful tendering for those SMEs.
- encourage SME engagement in each procurement plan, lotting shall be a consideration and if suitable the requirements shall be divided into smaller Lots.

Professional

To ensure a professional service is delivered to the organisation we will:

- ensure the Procurement Team is fully trained and knowledgeable on all aspects of procurement delivery. We encourage our procurement staff to hold professional procurement qualifications (Chartered Institute of Purchasing and Supply – CIPS), and where appropriate will support team members to gain the relevant qualifications.
- ensure meaningful management information is created detailing contract and department performance
- we will benchmark our service delivery against best in class procurement.
- ensure stakeholders are consulted throughout the procurement process

Responsive

In order to provide a responsive service we will:

- conduct a full process review into the time required to undertake procurement processes from request to completion.
- establish a programme of contract management, with a schedule of regular reviews with suppliers where appropriate to the scale and risk of the contract.

