

PROCUREMENT AND COMMISSIONING STRATEGY 2015-2018

1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the updated Procurement and Commissioning Strategy covering the period 2015-2018 and replaces the previous strategy which covered the period 2012-2015. The Procurement and Commissioning Strategy sets out the principles by which the Council will operate its Procurement and Commissioning activities. The Strategy takes account of relevant legislative requirements with regard to Procurement, including requirements of European Procurement Legislation.
- 1.2 Policy & Resources Committee is asked to approve the Procurement and Commissioning Strategy 2015-18.

PROCUREMENT AND COMMISSIONING STRATEGY

2.0 INTRODUCTION

- 2.1 This report sets out the updated Procurement and Commissioning Strategy covering the period 2015-2018 and replaces the previous strategy which covered the period 2012-2015. This strategy forms part of the Council's Constitution and is an appendix to Part E Contract Standing Orders. The Procurement and Commissioning Strategy sets out the principles by which the Council will operate its Procurement and Commissioning activities. The Strategy takes account of relevant legislative requirements with regard to Procurement, including requirements of European Procurement Legislation.

3.0 RECOMMENDATIONS

- 3.1 To approve the updated Procurement and Commissioning Strategy for 2015-2018,
- 3.2 To approve the increase in the closed tender threshold for works contracts from £350k to £500k which allows works contracts up to this value to be tendered via a pre-selected list allowing local suppliers the ability to bid for these, which supports the Strategy's principles.

4.0 DETAIL

- 4.1 The Procurement and Commissioning Strategy has not been updated since 2012 and in that time there have been a number of legislative and operational changes to the way in which procurement activity is carried out within the Council.
- 4.2 The Procurement and Commissioning Strategy has been updated with this in mind, but still covers the major drivers for procurement, such as delivering best value for the Council, increasing community benefits provided from procurement activity, and improving the capacity and ability of suppliers to win tenders. It details how the Council will operate its procurement function over the period 2015-2018, and conforms with the new legislation.
- 4.3 The aim of this Procurement and Commissioning Strategy is to set a clear framework for activity throughout the authority, which reflects the Council's Corporate Plan, Single Outcome Agreement and which complement the Council's constitution and standing orders. The strategy is a formal part of the

Council's constitution being an appendix to Part E Contract Standing Orders. Operational guidance is contained within the Procurement Manual which has also recently been updated. The updated manual can be found on the Council's website and on the Hub.

- 4.4 Effective procurement and commissioning will support the key strategies and goals of the Council and help to deliver the corporate priorities. They will be used as a lever to support the Single Outcome Agreement objectives and the wider council objectives.
- 4.5 The changes in the procurement regime within the Council have led to more open, fair and transparent methods of supplier and contractor selection being employed, most notably through advertising all contracts on the Public Contracts Scotland website. This does achieve best value for the Council but has caused problems for local businesses who feel their opportunities are being subjected to an onerous level of competition during a period of recession in business generally. The Council will continue to aim to raise standards across the supply base but would prefer to take valuable local suppliers with them on this journey wherever possible.
- 4.6 For example, the increase in threshold for closed tenders from £350k to £500k supports the local supply base to be able to bid for contracts from a smaller competitive market rather than the open market, thus encouraging local suppliers to bid and be successful for works contracts up to the value of £500k. The pre-selected list for closed tenders is chosen by the services based on the suppliers registered to provide works in Argyll and Bute on Public Contracts Scotland
- 4.7 This process will be managed via the vendor rating system which is managed by the Procurement and Commissioning Team. It ensures there is a fair, open and transparent method for pre selecting the list for closed works contracts. Works suppliers have been informed of the system and have an clear understanding of the process. The Scottish Government's Procurement Directorate and Construction Procurement Review Team are supportive of the Vendor Rating System and what we are trying to achieve, in supporting our local supply base to bid, whilst being open, fair and transparent to all our works suppliers

5.0 CONCLUSION

- 5.1 The aim of this report is to make the recommendation for approval of the updated Procurement and Commissioning Strategy.

6.0 IMPLICATIONS

- 6.1 Policy: The Strategy will ensure the Council meets the Scottish Government's Procurement Reform requirements.

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| 6.2 | Financial: | None |
| 6.3 | Legal: | Following the Strategy will ensure compliance with Procurement Regulations. |
| 6.4 | HR: | None |
| 6.5 | Equalities: | None |
| 6.6 | Risk: | Following the strategy will ensure risk of challenge to the procurement process and relevant decision making is minimised. |
| 6.7 | Customer Service: | None |

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21 July 2015

Policy Lead – Councillor Dick Walsh

For further information please contact Anne MacColl-Smith, Procurement and Commissioning Manager or Judy Orr, Head of Customer and Support Services