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**PROCUREMENT MANUAL 2012**

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**1.0 SUMMARY**

- 1.1 The Procurement and Commissioning Team developed the first comprehensive Procurement Manual for the Council in 2010. It was endorsed by the Council as the definitive guide to carrying out procurement activities within the Council.
- 1.2 It was updated in 2011 to ensure the Manual was taking into account of the Scottish Procurement Directorate's Procurement Journey that was published in 2011.
- 1.3 The Manual now requires to be further updated for 2012, to ensure we adhere to the recommendations from our Procurement Capability Assessment of 2011 and the updates highlighted in blue from our external Legal Advisors, Brodies, who have revised the document. Although the distinctive Argyll and Bute flavour of the processes, tailored to our own internal structures and ways of working as well as the wider commercial environment in the local area has been retained.

**2.0 RECOMMENDATIONS**

- 2.1 That the Council note and endorse the new Manual to ensure that the Council meets its requirements under the Procurement Capability Assessment which is due to be carried out in October 2012.

**3.0 DETAIL**

- 3.1 The Procurement Manual is a useful additional to the procurement tools within the Council. It formed the basis of our Procurement Capability Assessment in 2010 and was subsequently used by the Assessors as a means to demonstrate how smaller Councils should approach procurement. Several other Scottish Councils have used the Argyll and Bute manual to base their own procedures on.
- 3.2 In updating the Manual the opportunity has been taken to clarify individual clauses within the document. The Manual has also been increased in scope to cover additional aspects of procurement and one section has been completely re-written. This report is concerned with the subsequent changes to the 2011 Manual as they appear in the revised version for 2012.

**4.0 SECTION 6.0 – SUSTAINABILITY**

4.1 This new section in the Manual is designed to implement Council's Sustainable Procurement Policy which forms part of the Procurement and Commissioning Strategy and is in alignment with the Scottish Government's Procurement Journey.

4.2 The wider issue of sustainability in procurement is addressed through the requirement to consider this, and its constituent Environmental, Social and Economic elements within the balance scorecard for objective setting in the Sourcing Strategy.

## **5.0 SECTION 7.0B DETAILED SOURCING STRATEGIES**

5.1 The introduction of sourcing strategies has been a success over the past year and has gone some way to encouraging consideration of procurement objectives, market factors and procurement routes prior to tendering.

5.2 The Procurement Capability Assessment of 2011 found that the coverage of sourcing strategies was reasonably successful but recommended that a more comprehensive strategy is introduced for strategic contracts.

5.3 Taking this into account the Manual now includes a chapter on detailed sourcing strategies which will help purchasing officers develop strategies for "high risk" commodities/contracts.

5.4 A strategy is always required for all commodities/contracts. The strategy however should be proportionate to risk, value and strategic importance of the commodity/contracts to the Council.

## **6.0 SECTION 9.0 SUPPLIER SELECTION/SELECTION ROUTE**

6.1 The thresholds have been updated to take into account the increase in the EU thresholds.

6.2 The timeframes section closed tender and quick quote timescale section has been amended to allow for flexibility of time limits for submission of tender based on the complexity of the contract.

## **7.0 SECTION 17.0 CONTRACT AWARD RECOMMENDATION REPORT (CARR)**

7.1 The update clarifies which Officers can sign the appropriate Contract Award Recommendation Report.

## **8.0 CONCLUSION**

The Procurement Manual is essentially an operational guide on how to procure legally and in a manner that achieves best value in line with the Council's overall policies and strategic objectives and the requirements of Standing Orders.

## **8.0 IMPLICATIONS**

- 8.1 Policy – The update of the Manual describes existing and developing procurement policy in lines with the Scottish Government Procurement Journey
- 8.2 Financial – The Procurement Manual is a guide to achieving better value in Council external spend.
- 8.3 Legal –The Procurement Manual is a guide to procuring within the Public Procurement Rules
- 8.4 HR - None
- 8.5 Equalities - None
- 8.6 Risk – assists the Council in managing procurement risk
- 8.7 Customer Service - None

## **9.0 APPENDICES**

### **The Procurement Manual**

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