
PROCUREMENT MANUAL 2012

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 The Manual was updated in 2011 to ensure it reflected some elements of the Scottish Procurement & Commercial Directorate's Procurement Journey. It introduced new sections for benchmarking, demand management, and procurement and financial management, and substantially revised sections of developing tender documents and contract management.
- 1.3 The Manual now requires to a further update to ensure we adhere to the recommendations made both from our Procurement Capability Assessment in 2011 and from our external Legal Advisors, Brodies, who have revised the document. There are new sections on Sustainability and on Detailed Sourcing Strategies. The revised manual is presented for approval.

2.0 RECOMMENDATIONS

- 2.1 Council is asked to approve the updated Procurement Manual 2012 which is attached as an Appendix to this Report and instructs the Executive Director of Customer Services to carry out a programme of awareness events to allow for full implementation of the Manual thereafter.

3.0 DETAIL

- 3.1 The Procurement Manual is a useful addition to the procurement tools within the Council. It has been a key element in our annual Procurement Capability Assessments. The Assessors have referenced it as a model for how smaller councils should approach procurement and several other Scottish Councils have based their own procedures on the Argyll and Bute manual. However there is still an ongoing need to update and improve the Manual.
- 3.2 In this year's update, there are two new sections, one on sustainability and one on detailed sourcing strategies. Our external Legal advisers have also reviewed the document and suggested a number of updates which are highlighted in blue. All other changes are highlighted in yellow.

SECTION 6.0 – SUSTAINABILITY

- 3.3 This new section in the Manual is designed to implement the Council's Sustainable Procurement Policy which forms part of the Procurement and Commissioning Strategy and aligns with the Scottish Government's Procurement Journey. Guidance and practical steps on achieving sustainable procurement is presented across its 3 constituent sub-areas of Social, Economic and Environmental considerations.

SECTION 7.0B DETAILED SOURCING STRATEGIES

- 3.4 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. The Procurement Capability Assessment in 2011 recommended that a more comprehensive approach is introduced for strategic contracts. Taking this into account, the Manual now includes an alternative chapter on detailed sourcing strategies which will help purchasing officers develop strategies for "high risk" commodities/contracts. The previous approach is still appropriate for less strategic commodities.
- 3.5 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. The Manual now incorporates two alternative approaches to reflect these differences.

SECTION 9.0 SUPPLIER SELECTION/SELECTION ROUTE

- 3.6 The thresholds have been updated to take into account the increase in the EU thresholds. The timeframes section for closed tender and quick quotes has been amended to allow for greater flexibility based on the complexity of the contract, and some of the wording has changed to give greater precision.

SECTION 17.0 CONTRACT AWARD RECOMMENDATION REPORT

- 3.7 The update sets out which officers can sign the Contract Award Recommendation Report.

4.0 CONCLUSION

- 4.1 The Procurement Manual is 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. It has been updated to ensure we adhere to the recommendations made both from our Procurement Capability Assessment in 2011 and from our external Legal Advisors. There are new sections on Sustainability and on Detailed Sourcing Strategies. The revised manual is presented for approval.

5.0 IMPLICATIONS

- 5.1 Policy: The update reflects existing and developing procurement policy in line with the Scottish Government Procurement Journey
- 5.2 Financial: None
- 5.3 Legal: Updates reflect changes in procurement legislation
- 5.4 HR: None
- 5.5 Equalities: None
- 5.6 Risk: Assists the Council in managing procurement risk
- 5.7 Customer Service: None

6.0 APPENDICES

Procurement Manual 2012

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