

ARGYLL AND BUTE COUNCIL



PROCUREMENT & COMMISSIONING
STRATEGY

2018/19

V0.3

Section 1 – Contents

Section	Title	Page Number
2	Introduction	3
3	Procurement Vision and Principles	4
4	Strategy Rationale/Context	6
5	Strategic Aims & Key Priorities	7
6	Spend/Finance	12
7	Implementation, Reviewing and Reporting	14
8	Strategy Ownership & Contact Details	16
9	Policies, Tools and Procedures	17
Appendices	Title	Page Number
Appendix 1	Procurement and Commissioning Strategy Action Plan	18
Appendix 2	Key Performance Indicators	24
Appendix 3	Procurement Strategy by Function	26
Appendix 4	Prioritisation Tool Outcome	32
Appendix 5	Sustainable Procurement Policy 2018/19	34

Section 2 – Introduction

- 1.1. The Argyll and Bute Council Procurement and Commissioning Strategy 2018/19 relates to our overall procurement approach, with specific focus on regulated procurements. Regulated procurements are defined as works contracts over £4million in value, and supplies and services contracts over £50,000 in value.
- 1.2. This strategy sets out a framework, which is designed to enable the Council to continue on its journey of change and innovation through:
 - Building capacity and skills within the Council to continue to improve commissioning and procurement activity;
 - Increasing the level of collaboration both internally, between service areas, and externally with other partner organisations;
 - Engaging proactively with key suppliers through contract and supplier relationship management to ensure that we extract maximum value and innovation from our supply base;
 - Focusing our commissioning and procurement activity on delivering improvements for the people and communities in Argyll and Bute;
 - Working cooperatively in everything we do to support SMEs and the third sector.
 - Ensuring procurement activity contributes towards the Council's general Equality Duty towards all stakeholders in Argyll and Bute and beyond.
- 1.3. This procurement strategy has been prepared in response to the changing procurement agenda and the current financial climate. The strategy sets out the procurement aims and goals of the Council for 2018/19 and will be updated on an annual basis. These aims and goals reflect both national and local policies and priorities.
- 1.4. The strategy is aimed at ensuring the Council procures the goods, services and works it needs in the most economically advantageous manner. This recognises the importance of a procurement strategy towards meeting the Council's statutory duty of best value.
- 1.5. Argyll and Bute Council recognises the value of existing relationships with suppliers and contractors and seeks to build and strengthen those relationships. Local businesses and the third sector play a valuable role in supporting the work of the local authority. The strategy aims to help remove the barriers often faced by smaller organisations with limited resources in bidding for work tendered by the Council. The Procurement and Commissioning Team has provided and will continue to provide support to local organisations, building their capacity to respond to formal procurements through local Meet the Buyer and other training events, and through promotion of the Supplier Development Programme.

Section 3 – Procurement Vision & Principles

Our vision

- To provide best value to the Council from all procurement and commissioning activities
- To embed commercial excellence, by improving commercial decision making throughout the organisation, ensuring that our services always deliver Best Value
- To be recognised as having leading commercial, procurement and commissioning practices and skills delivering outstanding outcomes
- To have the citizens of Argyll and Bute and service users at the heart of what we do

Procurement Principles

These are the basic tenets of how the Council intends to conduct its procurement.

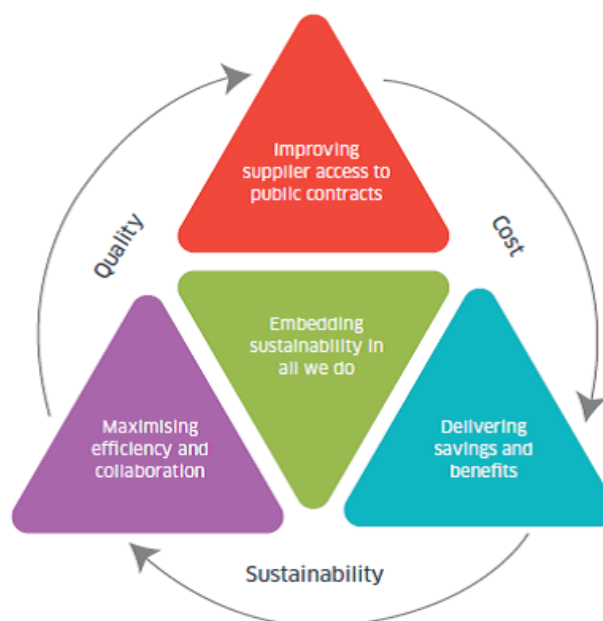
Nine procurement principles have been identified as follows:

1. Procurement should be a viable tool in the promotion of the Council's Goals and Values and in delivering the aims and objectives contained within the Corporate Plan and Single Outcome Agreement.
2. Procurement will be carried out under the terms of the Council's Standing Orders and will be guided by the detailed procedures for purchasing developed by the Council via the Procurement Manual.
3. Procurement should be carried out in line with current legislation to deliver competition, sustainability, equal opportunities and ultimately best value for the Council. The process will be transparent and allow accountability.
4. Best Value will be achieved by obtaining Most Economically Advantageous Tender, taking into account whole life costs and non-financial aspects of the purchase. Purchasing will be driven by desired outputs and results, including acceptable health and safety performance.
5. Suppliers should be able to meet the current and future needs of the Council and in arranging procurement; the needs of the local economy should be taken into account, as permitted by existing legislation and always in pursuit of best value.

6. Officers managing major contracts should be capable through qualification and experience, or have access to professional guidance, to be able to ensure the sound management and monitoring of contracts. The Council will put in place a training programme for all staff required to undertake procurement duties. Staff completing this programme will become “authorised to procure”.
7. The procurement function should be carried out in an effective but streamlined manner, which delivers added value without duplication of effort.
8. Where a local or national contract is in place for a commodity this will be used in all but exceptional circumstances.
9. Suppliers and contractors to the Council are part of the resources of the Council and are not adversaries but partners in the delivery of services for the citizens of Argyll and Bute. The Council will work to encourage continued participation in contracts by high quality suppliers.

Section 4 – Strategy Rationale/Context

- 4.1 The Council's new Procurement and Commissioning Strategy for 2018/19 takes account of the Annual Procurement Report 2016/17 which detailed the progress that the Council has made since the previous strategy was published. This allows us to reflect on the progress made as well as highlighting the opportunities and challenges now facing the Council, and how Procurement can support the organisation's overall objectives.
- 4.2 Current external impacts on the Council's Procurement and Commissioning Strategy include demographic changes within Argyll and Bute, increasing service user expectations, environmental and social challenges, and the need to ensure our processes are in line with current best practice - for example the recent changes to the Procurement Journey to include Care. Upcoming external challenges include influences such as Brexit and the unknown implications surrounding this, the Scottish Government's vision for education and the review of education governance aimed at an education system which is led by schools and teachers.
- 4.3 Internal impacts on this Strategy and the Council's Procurement and Commissioning Team include the need to take account of the requirements of the upcoming new Corporate Plan during the term of this Strategy, the provision of support to the service departments to meet their budgetary requirements, as well as the support provided to them to deliver transformational change in how they provide their services to the citizens of Argyll and Bute.
- 4.4 The Council will continue to deliver its procurement activities and meet the above opportunities and challenges in line with the Scottish Model of Procurement:



Section 5 – Strategic Aims & Key Priorities

5.1 Our strategic aims

The Strategic Aims of the Procurement and Commissioning Team support the overall Argyll and Bute Council Corporate Plan and Key Strategic Priorities:

- Making Argyll and Bute a place people choose to live
- Making Argyll and Bute a place people choose to learn
- Making Argyll and Bute a place people choose to work and do business

5.2 For all of our procurement activity we aim to:

1. Provide a value for money procurement service that delivers financial savings
2. Provide a quality service which delivers quality outcomes to the citizens of Argyll and Bute
3. Procure goods, services and works in a lawful and ethical manner which encourages participation, collaboration and sustainable economic growth
4. Continue to improve the Council's procurement performance which will be assessed by Scotland Excel through the Procurement and Commercial Improvement Programme assessment
5. Secure the ongoing commitment of internal stakeholders to implement the strategy, through continuing to increase the profile of procurement and senior sponsorship within the Council
2. Ensure the procurement strategy is aligned with the Council's corporate priorities
3. Continue to improve our Purchase to Pay (P2P) processes with due consideration for local and national ICT Strategy requirements, existing budget constraints and the need to ensure best value, whilst reducing purchase to pay costs. The aim is to strengthen controls, increase efficiency and provide useful and up-to-date management information

5.3 Our key priorities for our regulated procurements are:

a. Improve procurement processes and policies

We will do this by:

- Increasing levels of contracted spend throughout the Council;

- Supporting a mixed economy of provision and developing markets, particularly local/rural markets, Small and Medium Sized Enterprises (SMEs), Third Sector organisations, and enterprises involving minority groups and those with protected characteristics under the Equality Act 2010;
- Reducing bureaucracy - ensuring our processes and templates are accessible as well as standard, simple, transparent and consistent in line with best practice;
- Protecting public spending – ensuring tax payers money is spent properly, ensuring integrity and accountability;
- Regular reporting of procurement performance and compliance in relation to regulated procurements;
- Categorising areas of spend to ensure we achieve the best balance of quality and price for our regulated procurements;
- Working collaboratively with other public sector organisations on regulated procurements where appropriate, ensuring that our partner organisations are committed to equality of opportunity for all sectors of society, and that their commitments reflect the Council’s Public Sector Equality Duty and its general equality duty.

b. Increase expertise, capacity and effectiveness

We will do this by:

- Developing and professionalising contract and supplier management practices to ensure that we are getting the most value and innovation from our contractual relationships while maintaining appropriate standards; and improving commercial awareness across the Council;
- Developing staff in Procurement and Commissioning who lead on regulated procurements; through training, secondments and mentoring;
- Developing relationships with staff within NHS Highland to increase the potential for collaborative working on regulated procurements that will benefit both organisations.

c. Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance

We will do this as outlined in the following statements with reference to Section 15(5) of the Procurement Reform (Scotland) Act 2014:

- Ensuring that the Council’s regulated procurements will deliver value for

money, through applying the following key principles: Increasing our collaboration with other organisations where possible; Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised; Developing contract plans of future procurements to improve our services; Maintaining consistency and transparency in our procurement processes; and Considering where appropriate the whole-life cost of what is being procured and when applying the principle of value for money, ensure that we do so in a clear, transparent and proportionate manner.

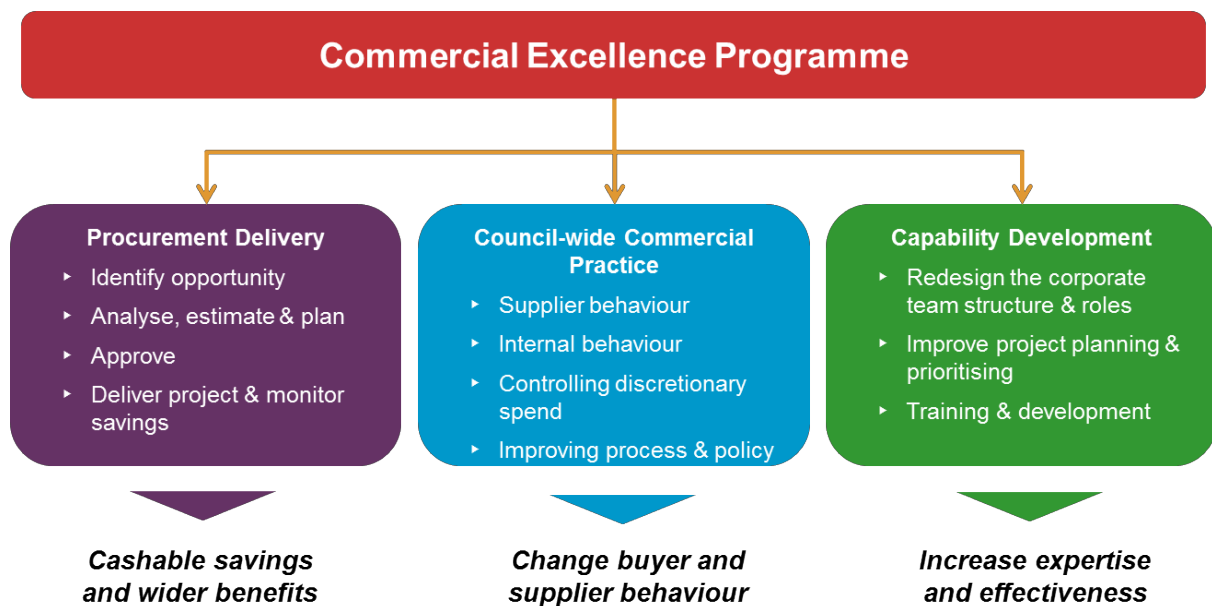
- Ensuring that the Council's regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner, at each stage of the procurement process, through: using electronic communications for all procurement activity, while providing alternative communications methods if requested; ensuring open public and market engagement; using clear and precise language to ensure a common understanding of the requirements; and utilising Council thresholds to ensure proportionality regarding the appropriate type of procurement process.
- Ensuring that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented: (i) payments due by the Council to a contractor; (ii) payments due by a contractor to a sub-contractor; (iii) payments due by a sub-contractor to a sub-contractor, by: including a standard contract clause to this effect in our regulated procurement contracts; including a clause regarding the prompt payment of sub-contractors within our regulated procurement contracts; and through ensuring effective contract management and monitoring is undertaken to ensure that prompt payment continues to be applied throughout the duration of the contract and taking any necessary steps to rectify any prompt payment issues experienced.
- Ensuring that the Council's regulated procurements will contribute to the carrying out of its functions and achievement of its purposes, through considering the Council's approach to procurement and commissioning in the context of the wide range of joint plans and strategies developed internally and externally, with other local authorities and partner organisations; by utilising effective and relevant consultation when developing and aligning our procurement strategy with these plans and strategies, and for individual regulated procurements as required; and through promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes.
- Complying with the statutory requirements on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; through contributing towards improving the social wellbeing element - in particular reducing inequality in Argyll and Bute - of our sustainable procurement duty by promoting the Living Wage and fair work practices in regulated procurements; while ensuring a proportionate approach which provides an appropriate balance between quality and cost.

- Ensuring that the Council's regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination by, where relevant and proportionate, considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland (PCS); considering in the initial sourcing strategy stage the opportunity to break requirements into smaller lots; and by using clear and precise language preventing broad interpretation as well as offering alternative language formats if requested.
- Complying with the Council's Sustainable Procurement Policy (Appendix 5) in relation to the use of community benefit requirements.
- Complying with the Council's Corporate Health and Safety Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, through assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and through ensuring that our requirements for individual contracts meet current legislation as a minimum.
- Complying with the Council's Sustainable Procurement Policy (Appendix 5) in relation to the procurement of fairly and ethically traded goods and services.
- Complying with the statutory requirements on how we intend our approach to regulated procurements involving the provision of food to: (i) improve the health, wellbeing and education of communities in the authority's area, and (ii) promote the highest standards of animal welfare, by considering relevant national guidance.
- Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements including, where appropriate and proportional: consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements; considering the National Standards for Community Engagement during this process; and ensuring the outcomes of any consultations will be taken account of within our regulated procurements.
- Ensuring that the Council's regulated procurements will be carried out in compliance with the sustainable procurement duty, through embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises; considering how individual procurement exercises can assist the Council to improve the economic, social, and environmental wellbeing of Argyll and Bute; facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported business in the procurement process; and by promoting innovation at the initial stage of regulated procurements.

d. Support the Council's transformational changes

- The Council has been making changes to what we do and how we do it in order to protect jobs and services in the face of reducing budgets. Our Transformation Board has been set-up to find ways in which to continue this process of change to deliver savings and generate income by redesigning services and exploring self-funding and business cost reduction opportunities. The Procurement and Commissioning Strategy supports the transformation agenda.

5.4 These priorities link to the Commercial Excellence Programme as follows:



5.5 Appendix 1 sets out an Action Plan to deliver the strategy. Key Performance Indicators by which we will measure the success of the action plan are detailed in Appendix 2. Appendix 4 details the initial results of prioritisation of procurement categories across the council in relation to sustainability.

Section 6 – Spend/Finance

- 6.1 The Council's total spend in 2016/17 on supplies, services and works was £132 million. Our core trade spend (suppliers we spend more than £1000 with during the year) was £119m. 90% of our core trade spend was with contracted suppliers.
- 6.2 The following table shows the Council's core trade spend by category. The classification system used is Proclass Level 1, appended by the Scottish Procurement Information Hub.

Table 1: Spend by Proclass Level 1 for 2016/17

Category	Total Spend
Social Community Care	£35.27m
Facilities & Management Services	£19.17m
Construction	£15.66m
Environmental Services	£8.89m
Public Transport	£7.68m
No Summary Category*	£4.70m
Information Communication Technology	£4.01m
Utilities	£3.46m
Vehicle Management	£3.33m
Financial Services	£3.29m
Construction Materials	£2.75m
Catering	£1.27m
Human Resources	£1.12m
Highway Equipment & Materials	£1.03m
Mail Services	£0.95m
Education	£0.83m
Healthcare	£0.75m
Arts & Leisure Services	£0.73m
Consultancy	£0.72m
Housing Management	£0.56m
Horticultural	£0.40m
Sports & Playground Equipment & Maintenance	£0.39m
Street & Traffic Management	£0.38m
Furniture & Soft Furnishings	£0.37m
Legal Services	£0.28m
Cleaning & Janitorial	£0.28m
Clothing	£0.25m
Stationery	£0.19m
Health & Safety	£0.09m
Domestic Goods	£0.005m
Cemetery & Crematorium	£0.005m
Grand Total	£118.80m

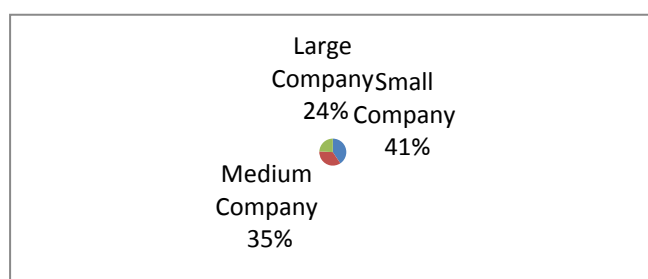
*Consists of suppliers for which a Proclass Level 1 category could not be appended. £3.77m of the total spend with these suppliers was spent with Hub North Scotland who manage the council's new NPDO school builds. The remainder of this spend is monitored in line with standard processes for all other categories.

- 6.3 The top 20 suppliers to the Council account for 43% of the Council's total spend on supplies, services and works. The following table shows the top suppliers and spend for the year 2016/17.

Table 2: Spend with Top 20 suppliers

Supplier Name	Total Spend
ABC SCHOOLS LTD	£14.42m
SHANKS ARGYLL & BUTE LIMITED	£6.43m
WEST COAST MOTOR SERVICES CO	£4.55m
ENABLE SCOTLAND	£4.17m
HUB NORTH SCOTLAND	£3.77m
JOHN BROWN (STRONE) LIMITED	£2.70m
CARR-GOMM SCOTLAND	£2.41m
MCKENZIE CARE HOMES LTD	£1.85m
KIELY BROS LTD	£1.74m
OBAN ELECTRICAL SERVICES LTD	£1.61m
ARGYLL, LOMOND & THE ISLANDS ENERGY (ALIENERGY)	£1.51m
ALTERNATIVE HEAT LTD	£1.45m
HC-ONE LTD	£1.33m
CARERS DIRECT LIMITED	£1.27m
AFFINITY TRUST	£1.19m
ALLIED HEALTHCARE GROUP LTD	£1.18m
BARR ENVIRONMENTAL	£1.17m
CROSSREACH	£1.13m
LAND ENGINEERING (SCOTLAND) LIMITED	£1.11m
BREEDON AGGREGATES SCOTLAND LIMITED	£1.10m
Total Spend with Top 20 Suppliers	£57.28m

- 6.4 In 2016/17, spend with SMEs accounted for 76% of core trade spend (suppliers with whom we spent more than £1000 and where supplier size could be determined). The chart below shows the breakdown of spend with Small, Medium and Large companies for 2016/17.



Section 7 – Implementation, Reviewing and Reporting

7.1 Implementation

7.1.1 **Consultation**

The Council will undertake relevant and proportionate consultation and engagement as part of the preparation of this Procurement and Commissioning Strategy. This will help to ensure that our approach and strategy takes account of stakeholders' views and that stakeholders have the opportunity to engage and contribute to the development of the strategy. This will allow us to gain a better understanding of the needs of Argyll and Bute and to tailor our strategy to reflect those needs.

The key stakeholder groups identified for inclusion in this consultation are:

- Argyll and Bute Council employees
- Argyll and Bute Councillors
- Local MSPs, MP and MEPs
- Key suppliers
- Community Planning Partners
- Other interested parties
- The general public

The full details of our consultation are included within a report to the Council's Procurement Board; this covers what will be involved in the consultation, and the inclusion of feedback to the final strategy.

7.1.2 **Approval of Strategy**

The Procurement and Commissioning Strategy will be approved in line with the Council's standard process. After the consultation is completed the draft strategy will be finalised and sent for approval by DMT, SMT, Policy and Resources Committee and finally Argyll and Bute Council.

7.1.3 **Publication of Strategy**

The Council will publish this Procurement and Commissioning Strategy on our website, and will notify Scottish Ministers of the publication of our strategy.

7.2 Reviewing

7.2.1 The Council will review this Procurement and Commissioning Strategy annually. This will help to ensure that we maintain alignment of our procurement activity with our broader priorities and will allow us to revise our strategy where necessary.

7.3 Reporting

7.3.1 The Council will, as soon as reasonably practicable following the end of the financial year, prepare an Annual Procurement Report which will include:

- A summary of all regulated procurements completed in the year
- A review of whether these procurements complied with this Procurement and Commissioning Strategy
- A statement detailing how it is intended that future compliance will be achieved where any procurements were found not to have been carried out in accordance with this Procurement and Commissioning Strategy
- A summary of any community benefit requirements imposed as part of a regulated procurement that was completed during the year
- A summary of steps taken to facilitate the involvement of supported business in regulated procurements completed during the year
- A summary of anticipated regulated procurements expected to commence in next two financial years
- Anticipated future procurements
- Any other information as specified by the Scottish Ministers

Section 8 – Strategy Ownership & Contact Details

The Argyll and Bute Council Procurement and Commissioning Team sit within the Customer Services Directorate, within Customer and Support Services.

The Procurement and Commissioning Team works with the Council's services and suppliers to develop contracts and procedures to deliver Best Value.

The team is responsible for the procurement of works, goods and services for all Council departments; and for developing procurement processes, procedures, strategies and policies in line with national best practice.

If you have any queries in relation to this strategy, please contact:

- Anne MacColl-Smith, Procurement and Commissioning Manager
- Procurement@argyll-bute.gov.uk

Section 9 – Policies, Tools & Procedures

National Policies:

- Statutory Guidance on the Selection of Tenderers and Award of Contracts - Addressing Fair Work Practices, including the Living Wage, in Procurement: <http://www.gov.scot/Publications/2015/10/2086>
- Scottish Model of Procurement: <http://www.gov.scot/Topics/Government/Procurement/about/spd-aims>
- Changes to the European Directive: <http://www.gov.scot/Topics/Government/Procurement/policy/ProcurementReform>
- Public Procurement Reform Programme: <http://www.gov.scot/Topics/Government/Procurement/about/Review/Background>
- EU Procurement Thresholds: <http://www.gov.scot/Topics/Government/Procurement/policy/10613>
- Procurement Journey: <https://www.procurementjourney.scot/node>
- PCIP: <http://www.gov.scot/Topics/Government/Procurement/buyer-information/spdlowlevel/PCIPIntro/PCIPInfoPack>
- Public Contracts Scotland: <http://www.publiccontractsscotland.gov.uk/>
- Public Contracts Scotland Tender: <https://www.publictendersscotland.publiccontractsscotland.gov.uk>
- Equality Act 2010, Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012: <http://www.legislation.gov.uk/sdsi/2012/9780111016718/note>
- Better Eating, Better Living: <http://www.gov.scot/Publications/2014/03/1606>
- Beyond the School Gate: <http://www.gov.scot/Publications/2014/05/4143>
- Soil Association's Food for Life Served Here Award: <https://www.soilassociation.org/certification/the-food-for-life-catering-mark/business-support-for-award-holders/standards/bronze-standards/>
- Catering for Change: Buying Food Sustainably in the Public Sector: <http://www.gov.scot/Publications/2011/01/12154555/0>
- Becoming a Good Food Nation: <http://www.gov.scot/Topics/Business-Industry/Food-Industry/GoodFoodNation>

Local Policies:

- Sustainable Procurement Policy 2018/19 (Appendix 5)
- Community Benefits Clauses in Procurement Guide: <https://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents>
- Health and Safety Policy: <https://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents>
- Council Constitution: <https://www.argyll-bute.gov.uk/moderngov/documents/s110902/Combined%20Constitution%20June%202016.pdf>
- Equality Policy 2013-2015 - <https://www.argyll-bute.gov.uk/equality-workplace>

Section 10 – Appendices

APPENDIX 1: Procurement and Commissioning Strategy Action Plan

The specific Action Plan for each of our key priority areas for our regulated procurements is detailed below:

a. Improve procurement processes and policies

Priority	Activities	Owner	Timescale
Increasing levels of contracted spend throughout the Council	Work with departments to put regulated contracts in place where possible to reduce levels of addressable non-contracted spend	PCT	31/03/2019
Supporting a mixed economy of provision and developing markets, particularly local/rural markets, Small and Medium Sized Enterprises (SMEs), Third Sector organisations, and enterprises involving minority groups and those with protected characteristics under the Equality Act 2010	Inclusion of a mandatory sub-contracting clause in regulated procurements where relevant and proportionate	PCT	31/03/2019
Reducing bureaucracy - ensuring our processes and templates are accessible as well as standard, simple, transparent and consistent in line with best practice	Ensure processes and templates for regulated procurements reflect requirements of the Procurement Journey for tender processes and contract management	PCT	31/03/2019
Protecting public spending – ensuring tax payers money is spent properly, ensuring integrity and accountability	Carry out SOCO checks for all regulated procurements to limit opportunities for anyone involved in serious organised crime activities from being awarded public sector contracts	PCT	31/03/2019
Regular reporting of procurement performance and compliance in relation to regulated procurements	SMT Bulletins to cover regulated procurements	PCT	31/03/2019
Categorising areas of spend to ensure we achieve the best balance of quality and price for our regulated procurements	Category Management approach for all regulated procurements	PCT	31/03/2019
Working collaboratively with other public sector organisations on	Consider collaboration with NHS	PCT	31/03/2019

regulated procurements where appropriate, ensuring that our partner organisations are committed to equality of opportunity for all sectors of society, and that their commitments reflect the Council's Public Sector Equality Duty and its general equality duty	Highland in Commodity Sourcing Strategies for all regulated procurements		
	Participate in Scotland Excel and Scottish Procurement frameworks, where relevant	PCT	31/03/2019

b. Increase expertise, capacity and effectiveness

Priority	Activities	Owner	Timescale
Developing and professionalising contract and supplier management practices to ensure that we are getting the most value and innovation from our contractual relationships while maintaining appropriate standards; and improving commercial awareness across the Council	Contract management training sessions for departmental staff who manage regulated contracts to be held in 2018/19	PCT	31/03/2019
Developing staff in Procurement and Commissioning who lead on regulated procurements; through training, secondments and mentoring	PCT staff complete Procurement Competency Assessment in 2018/19 to identify areas for improvement and training needs	PCT	31/03/2019
	Purchasing Officers working towards MCIPS	PCT	31/03/2019
	Internal mentoring and secondments	PCT	31/03/2019
Developing relationships with staff within NHS Highland to increase the potential for collaborative working that will benefit both organisations	Ongoing work with NHS Highland to include their requirements within relevant regulated procurements within the Council	PCT	31/03/2019

c. Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance

Priority	Activities	Owner	Timescale
Ensuring that the Council's regulated procurements will deliver value for money, through applying the following key principles: Increasing our collaboration with other	Consider collaboration with NHS Highland in Commodity Sourcing Strategies for all regulated procurements	PCT	31/03/2019

<p>organisations where possible; Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised; Developing contract plans of future procurements to improve our services; Maintaining consistency and transparency in our procurement processes; and Considering where appropriate the whole-life cost of what is being procured and when applying the principle of value for money, ensure that we do so in a clear, transparent and proportionate manner.</p>	Sourcing Strategy templates ensure thorough consideration of all opportunities for regulated procurements	PCT	31/03/2019
	Contract Plans of future regulated procurements to be included in Annual Procurement Reports	PCT	31/03/2019
	All regulated procurements to be published via PCS/PCST to maintain consistency and transparency	PCT	31/03/2019
	Whole-life costing is included within Commodity Sourcing Strategy templates, to be considered where appropriate for regulated procurements	PCT	31/03/2019
<p>Ensuring that the Council's regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner, at each stage of the procurement process, through: using electronic communications for all procurement activity, while providing alternative communications methods if requested; ensuring open public and market engagement; using clear and precise language to ensure a common understanding of the requirements; and utilising Council thresholds to ensure proportionality regarding the appropriate type of procurement process.</p>	All regulated procurements to be published via PCS/PCST to maintain consistency and transparency	PCT	31/03/2019
	PINs and FCOs will be published for all appropriate regulated procurements in 2018/19	PCT	31/03/2019
	Specifications within regulated procurements will include references to EU and British standards where appropriate	PCT	31/03/2019
	All Council value thresholds for procurements will be complied with for regulated procurements	PCT	31/03/2019
<p>Ensuring that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented: (i) payments due by the Council to a contractor; (ii) payments due by a contractor to a sub-contractor; (iii) payments due by a sub-contractor to a sub-contractor, by: including a standard contract clause to this effect in our regulated procurement contracts; including a clause regarding the prompt payment of sub-contractors within our regulated procurement contracts; and through</p>	We will aim to meet the target of 94.5% of invoices paid within 30 days during 2018/19	PCT	31/03/2019
	All regulated procurements in 2018/19 will include the standard clause in relation to payments	PCT	31/03/2019
	All regulated procurements in 2018/19 will include a clause regarding the prompt payment of sub-contractors	PCT	31/03/2019

ensuring effective contract management and monitoring is undertaken to ensure that prompt payment continues to be applied throughout the duration of the contract and taking any necessary steps to rectify any prompt payment issues experienced.			
Ensuring that the Council's regulated procurements will contribute to the carrying out of its functions and achievement of its purposes, through considering the Council's approach to procurement and commissioning in the context of the wide range of joint plans and strategies developed internally and externally, with other local authorities and partner organisations; by utilising effective and relevant consultation when developing and aligning our procurement strategy with these plans and strategies, and for individual regulated procurements as required; and through promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes.	Carry out external and internal research when developing PS and SPP 2019/20	PCT	31/03/2019
	Carrying out consultation for PS and SPP 2019/20 as per Section 8	PCT	31/03/2019
	Carry out consultations for individual regulated procurements as relevant and appropriate	PCT	31/03/2019
	Contract management training sessions for departmental staff who manage regulated contracts to be held in 2018/19	PCT	31/03/2019
Complying with the statutory requirements on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; through contributing towards improving the social wellbeing element - in particular reducing inequality in Argyll and Bute - of our sustainable procurement duty by promoting the Living Wage and fair work practices in regulated procurements; while ensuring a proportionate approach which provides an appropriate balance between quality and cost.	We will consider at the initial stages of individual regulated procurements whether it is relevant to address living wage and fair work practices	PCT	31/03/2019
Ensuring that the Council's regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination by, where relevant and proportionate, considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland (PCS); considering in the initial sourcing strategy stage the opportunity to break	We will publish PINs/FCOs on PCS for all appropriate regulated procurements in 2018/19	PCT	31/03/2019
	We will consider lotting all regulated contracts in 2018/19 within their initial Commodity Sourcing Strategies	PCT	31/03/2019

requirements into smaller lots; and by using clear and precise language preventing broad interpretation as well as offering alternative language formats if requested.	We will offer alternative language formats when requested	PCT/ Communications Team	31/03/2019
Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the use of community benefit requirements.	Community Benefits Clauses will be included in regulated procurements as outlined in the Sustainable Procurement Policy 2018/19	PCT	31/03/2019
Complying with the Council's Corporate Health and Safety Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, through assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and through ensuring that our requirements for individual contracts meet current legislation as a minimum.	Health and Safety considerations will be included at all stages of regulated procurement processes in 2018/19	PCT	31/03/2019
	All regulated works procurements in 2018/19 will include reference to the current CDM regulations	PCT	31/03/2019
Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the procurement of fairly and ethically traded goods and services.	The procurement of fairly and ethically traded goods and services will be considered at the initial Commodity Sourcing Strategy stage of all regulated procurements in 2018/19	PCT	31/03/2019
Complying with the statutory requirements on how we intend our approach to regulated procurements involving the provision of food to: (i) improve the health, wellbeing and education of communities in the authority's area, and (ii) promote the highest standards of animal welfare, by considering relevant national guidance.	Any regulated Catering contracts carried out in 2018/19 will consider the following national guidance throughout the procurement process: 'Better Eating, Better Learning'; 'Beyond the School Gate'; 'Soil Association Food for Life Catering Mark'; 'Catering for Change: Buying Food Sustainably in the Public Sector'; and 'Becoming a Good Food Nation'	PCT	31/03/2019
Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements including, where appropriate and proportional: consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements; considering the	Consultations with relevant stakeholder groups will be carried out at the Commodity Sourcing Strategy stage of regulated procurements in 2018/19, where relevant and proportionate.	PCT	31/03/2019

<p>National Standards for Community Engagement during this process; and ensuring the outcomes of any consultations will be taken account of within our regulated procurements.</p>			
<p>Ensuring that the Council's regulated procurements will be carried out in compliance with the sustainable procurement duty, through embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises; considering how individual procurement exercises can assist the Council to improve the economic, social, and environmental wellbeing of Argyll and Bute; facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported business in the procurement process; and by promoting innovation at the initial stage of regulated procurements.</p>	<p>Consideration of Sustainability issues will be embedded throughout the procurement process for regulated procurements in 2018/19</p>	<p>PCT</p>	<p>31/03/2019</p>

APPENDIX 2: Key Performance Indicators

Year	Procurement Commercial Improvement Programme (PCIP) Score	Procurement spend with contracted suppliers (%)	Contracts awarded to local businesses (%)	Contracts awarded to SMEs (%)	Local suppliers bidding for business with the Council (% of bids received)	Tenders won by a local supplier where a local supplier has placed a bid (%)	Invoices paid within 30 days (%)
12/13	-	85	41	-	-	-	90
13/14	-	89	37	87	-	-	92
14/15	-	88	34	85	23	-	91.52
15/16	-	89	39	83	31	75	93.74
16/17	70	90	25	79	16	68	94.10
17/18 Target	-	90	-	70	16	-	94.50
18/19 Target*	75	90	-	70	16	-	94.50

* Figures as known at August 2017, subject to change prior to commencement of financial year 2018/19

The Procurement and Commercial Improvement Programme (PCIP)

The Procurement and Commercial Improvement Programme (PCIP) replaces the previous Procurement Capability Assessment (PCA) focusing on the policies and procedures driving procurement performance and, more importantly, the results they deliver are derived from the Scottish Model of Procurement.

The full version of the assessment took place in June 2016. A score of 70% was achieved which is within the highest banding possible for the assessment.

Procurement spend with contracted suppliers (%)

This measure indicates the level of Council spend made within an existing contract. Best Practice requires that this figure is as high as possible. Argyll and Bute Council seek to maintain a figure of 90% or greater in order to ensure that best value is achieved and that relationships with suppliers are clearly documented for legal and monitoring purposes. In addition, the Council recognises the importance of transparency in relation to spend reporting and publishes spend data via [Spotlight on Spend](#).

Contracts awarded to local businesses and SMES (% of successful suppliers)

The Council monitors the percentage of contracts awarded to local suppliers and SMEs. The Council is a member of the Supplier Development Programme which provides free advice and training to local SMEs. Alongside this the Procurement function is continually reviewing its processes to ensure that local SMEs are not at a disadvantage when bidding for contracts.

Local suppliers bidding for business

The Council monitor the type of contracts that local suppliers are bidding for and which contracts are subsequently awarded to them as well as endeavouring to

capture information on potential sub-contracting opportunities for local contractors to highlight the local economic impact of the contracts awarded. The team continues to provide local SMEs accessible training and access to tender opportunities through the method by which we tender.

Invoices paid within 30 days

This is a national measure for which there is a sector wide target of 90% aiming to minimise delay in paying suppliers. The Council aims to exceed this and has set a target of 94.5%.

APPENDIX 3: Procurement Strategy by Function

COMMUNITY SERVICES

Scope/Key Spend Areas

Community Services consists of the following areas:

- Education

Community & Culture will be dissolved by the creation of the Leisure and Libraries Trust in October 2017. The Procurement and Commissioning Team will continue to provide support to the new Trust; however this will no longer be subject to internal requirements.

Analysis of the existing spend profile across Community Services has identified priority areas of focus, including:

- Education Purchasing – support schools to purchase goods and services from available National and Local contracts where possible. This includes ensuring catalogues and suppliers on Pecos are up to date and available to for use. Provision of sourcing support will also be available for purchases >£1k which are not available on contract.

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Community Services is:

- Provide procurement support to the Leisure and Libraries Trust.

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Community Services includes:

- For Early Years' Service Provision - The Scottish Government's commitment to increase the entitlement for early learning and childcare hours from 600 per year to 1140 by 2020 will have an impact on service provision. The Procurement and Commissioning Team will work with the service to ensure cooperation and a collaborative approach with current suppliers to build on their current capacity to ensure the commitment to increased hours is met. This will include developing a skilled workforce to help retain and recruit staff; use of Council infrastructure and to stimulate the market by encouraging new suppliers to the area. The Procurement and Commissioning Team will work with the Service to ensure the transformation agenda is met and explore with the Service how the commitment can be met, efficiencies are made and a high quality innovative service is delivered

DEVELOPMENT AND INFRASTRUCTURE SERVICES

Scope/Key Spend Areas

Development and Infrastructure Services consists of the following areas:

- Roads and Amenity Services
- Economic Development
- Planning & Regulatory Services

An analysis of the existing spend profile within Development and Infrastructure has identified a number of priority areas of focus. These key areas include:

- Procurement of all goods and low value services within Development and Infrastructure Services routed through the Construction Purchasing Team via dandipurchasing@argyll-bute.gov.uk. Using PECOS the team promote the use of local and collaborative contracts across the service to achieve maximum savings. In addition, the team will also source non contracted items to achieve best value;
- Implementation of key strategic framework agreements;
- CHORD – Procurement support will be provided to ongoing and upcoming projects, including the Helensburgh Waterfront Development project and Oban projects;
- Housing Services contracts;
- Increased insourcing of contracts as per Transformation Board objectives

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Development and Infrastructure Services is:

- Put in place framework agreements to cover core areas of spend, including haulage and PPE;
- Continue to ensure adequate resource to support CHORD & TIF programme procurement;
- Increase volume of Quick Quotes raised via Construction Purchasing Team for the purposes of operation efficiency and achievement of savings;
- Roll out of process for Corporate purchases and T&A requests via Pecos to D&I services;
- Assist Services to achieve the objectives of the Fleet Management Review, in relation to the procurement of vehicles to ensure compliance with Council procedures.
- The new Public Contract (Scotland) Regulations 2015 will impact on the procurement of Housing Services via the Light Touch Regime (LTR). The LTR allows consideration of wider issues when sourcing Health, Social Care and Education services and legitimises their influence in decision making. It is important to note, however, that the LTR does not absolve public authorities of the need to comply with treaty principles of transparency and equal treatment. In order to ensure transparency, a contract award notice must be published for services commissioned at OJEU level regardless of whether appointed via a competitive process;
- Work will be undertaken, alongside Property Services, to include the requirements for maintenance of temporary tenancies within the General Maintenance Term Contracts. This should provide best value to Housing Services, along with improved service provision, and an assurance that all contractors working on behalf of the Council have been fully assessed and approved;

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Development and Infrastructure Services includes:

- Greater engagement with potential partnerships with consideration to more collaborative working; shared services and outsourcing opportunities;
- With regards to Waste Management, change in legislation by 2020 will bring new requirements for the Council within the next two years (construction of new processing, sorting facilities on the islands, covering landfill sites etc.) to be confirmed by the department;
- Assist Services in increasing their commercial awareness in terms of opportunities on Public Contracts Scotland, subject to availability of adequate resource in the service.

- Assist Services to achieve the agreed Transformation Board objectives.

CUSTOMER SERVICES and CHIEF EXECUTIVE'S UNIT

Scope/Key Spend Areas

Customer Services consists of the following areas:

- Governance & Law
- Customer & Support Services
- Improvement & HR
- Facility Services

The Chief Executive's Unit has few areas of spend, none of which are significant therefore no separate strategy has been provided for this unit and their spend processes will be dealt with along with Customer Services' spend.

An analysis of the existing spend profile within Customer Services has identified a number of priority areas of focus. These key areas include:

- Statutory Maintenance Contracts
- General Maintenance Term Contracts
- Consultancy Services

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Customer Services is:

- Continue use of Vendor Rating System, now for relevant capital works contracts up to £2m in value, and increase awareness of this method through a Future Contract Opportunity Notice on PCS to add further contractors to the system.
- **General Maintenance Term Contracts:** The Procurement Team is currently working with Property Services, as well as Housing Services and NHS Highland, on the second generation General Maintenance Term Contracts – these tenders will consist of 3 separate contracts each including 3 separate geographical lots, with a single contractor for each area. This approach aims to maintain the current structure of 9 geographical areas, whilst minimizing business continuity risks and time required to carry out the procurement processes.
- **Statutory Maintenance Term Contracts:** The Procurement Team are currently working with Property Services to introduce new Term Contracts to cover the Council's statutory requirements in relation to property maintenance. This is an ongoing process with separate unique contracts and specialist suppliers involved. Collaborative frameworks will be utilised where possible.
- **Consultancy Services:** In addition to the consultancy services provided via the Scotland Excel frameworks, there are requirements to provide more economical services suited to our requirements – where possible these should be created using methods to encourage local SMEs to submit tenders. New or revised frameworks could include M&E Engineers, CDM Advisors, Civil/Structural Engineers, Ecologists and QS Services.
- **Catering Contracts:** Currently there is a process in place to upgrade our Purchasing Cards system to enable more schools to use the cards. This would bring feasible benefits in terms of order processing efficiency and money rebates from the bank. Continue to utilise national frameworks available through Scotland Excel and Yorkshire Purchasing Organisation, where appropriate, for certain types of services

including catering equipment repairs.

- **Cleaning Contracts:** Continue to utilise Scotland Excel frameworks in order to achieve best value and process efficiency.
- **HR contracts:** The Procurement and Commissioning Team will work with the Service to consider ways of improving and streamlining the delivery of HR function to include upgrading existing systems to improve self-service options and transformation objectives to provide services externally. Consideration of business case to replace the Resourcelink system to ensure modern fit for purpose service.
- **ICT:** The Procurement and Commissioning Team will work with the Service to review asset register and ensure current relevant arrangements are in place to maintain and review available systems and where appropriate to upgrade if business case allows. To include engaging with the Scottish Government in procurement of a single source Scotland wide contract to facilitate the procurement of commercial off the shelf software;- examples include ICT Discoverer replacement, mobile voice and data contract and telephone services.

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Customer Services includes:

- Provide procurement support to assist the Property Services team with increasing levels of contracted maintenance spend from the current levels;
- Provide procurement support for Cleaning and Catering Innovation programme and closer collaboration potential development for working with NHS

HEALTH AND SOCIAL CARE PARTNERSHIP (HSCP)

Scope/Key Spend Areas

The Health and Social Care Partnership (HSCP) consists of the following areas:

- Adult Services
- Children & Families and Criminal Justice
- Strategic Planning & Performance

Please note that HSCP spend referred in this strategy is for services commissioned by what was formerly the Council's Adult Care and Children and Families services only.

An analysis of the existing spend profile within the HSCP has identified of the following priority areas of focus. These key areas include:

- Care at Home and Supported Living are 2 of the highest spend areas, it is hoped that during the term of this strategy there will be more information available on the viability of Dynamic Purchasing Systems (DPS) for care services following ongoing engagement with Scotland Excel colleagues which will enable the council to commission these services more effectively and efficiently in line with the Light Touch Regime.
- Older People's Care Homes, currently under National Care Home Contract, however there is a risk that negotiations will fail in 2018. If this is the case, priority will have to be given to locally negotiated contracts/collaborative arrangements with other partnerships.
- Aids and Adaptations Equipment, review required of existing contract situation and potential requirement for a procurement process.

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within the HSCP is:

- Significant aggregated spend is captured as part of the nationally negotiated care home contract. The Council's continued participation in national care home contract is expected and recommended. Scotland Excel are now actively involved in the negotiation process with COSLA however reaching agreement with providers was particularly challenging in 2017. As the settlement agreed was for one year only, it is expected to be a difficult process in 2018. Consideration must be given to the possibility of local negotiations/collaborative arrangements with other Partnerships. Sourcing Strategy to be developed which considers this.
- Scotland Excel have contracts in place for Fostering, Care Homes for Adults with Learning Disabilities and Children's Residential Services – continued use of these is expected.
- Annual breaks have been incorporated into existing contracts in order to ensure contracts are flexible enough for the partnership to be in a position to take advantage of any national developments being led by Scotland Excel.
- A number of reviews are underway of current locally commissioned services and early procurement involvement in these will be key to ensure that resulting action is compliant with EU Procurement Regulations and the Council's Standing Orders.
- The Public Contract (Scotland) Regulations 2015 will have an impact on the procurement of Social Care Services via the Light Touch Regime (LTR). The LTR allows consideration of wider issues when sourcing Health, Social Care and Education services and legitimises their influence in decision making. It is important to note, however, that the LTR does not absolve public authorities of the need to comply with treaty principles of transparency and equal treatment. In order to ensure transparency, a contract award notice must be published for services commissioned at OJEU level regardless of whether appointed via a competitive process.
- Comply fully with Guidance on the Procurement of Care and Support Services 2016 (Best Practice).
- Continue to undertake contract and supplier management meetings with key suppliers.
- Improve communication of contract updates by developing and promoting user guides.
- Further explore possibilities to work collaboratively on contracts at sourcing strategy stage.
- A greater focus required during contract management on Community Benefits required to ensure that more of the provider's efforts are captured and formally recorded.
- Continue to review and revise the terms and conditions for care services as required and following feedback from providers
- Ensure comprehensive and clear process in place for new suppliers selected under Option 2 Self Directed Support SDS, allowing people to choose their care provider, contracted via HSCP.
- Ensure that suppliers providing services on behalf of the Council to vulnerable clients manage health and safety risks appropriately and implement the work control measures identified in their own risk assessments.
- The Procurement and Commissioning Team have developed the Care Service Monitoring Tool to gather information on ongoing contract compliance and performance. Procurement and Commissioning will continue to work with the service to embed this process into operational activities and ensure maximum benefits are realised from the contract.

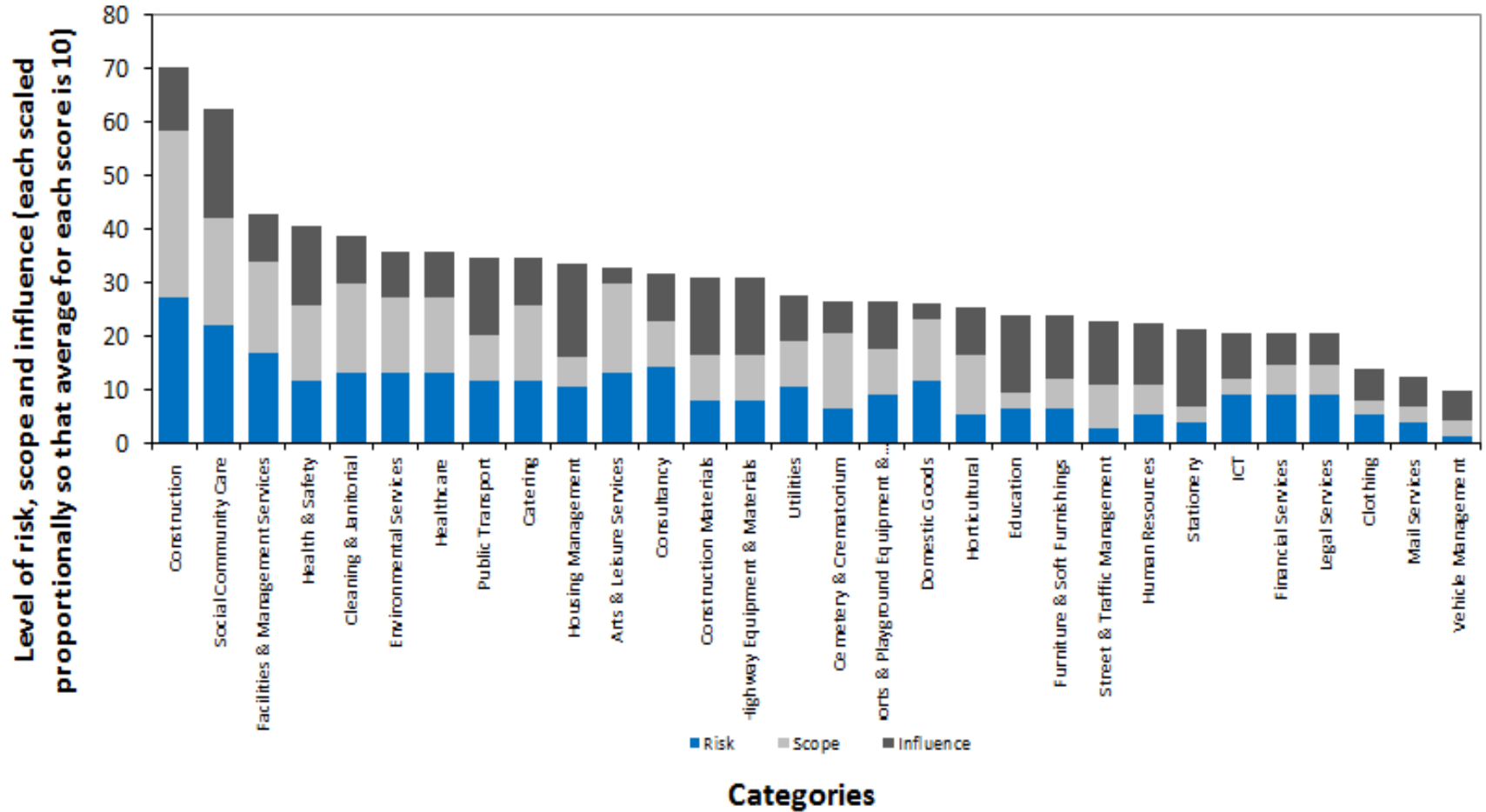
Longer Term Strategy

The longer term strategy for the procurement of goods and services within the HSCP includes:

- Develop and continue to review Sourcing Strategy coverage for all high value/high risk social care procurements
- Continue active involvement in national activity lead by Scotland Excel and other relevant bodies
- Continue to seek innovative solutions for compliant procurement processes for Services to the Person, e.g. DPS
- The team will continue to provide procurement support advice and assistance to the Health and Social Care Integration Partnership in order to ensure that the Partnership is receiving Best value quality services from its suppliers, delivered safely and without unacceptable risks to health.

APPENDIX 4: Prioritisation Tool Outcome

Overall Priority Categories



This outcome from the Prioritisation Tool assists the Council to prioritise and focus on those categories of spend within the upcoming regulated procurements for 2018/19 that offer the greatest potential sustainable outcomes. The graph above highlights the initial results of prioritisation of procurement categories across the council.

This output is used to assist the Council with informing priorities for:

- (a) a focus on sustainability within commodity sourcing strategies;
- (b) market engagement strategies; and
- (c) making sure that those responsible have relevant understanding and capability to apply sustainable procurement in these priority commodities.

The Prioritisation Tool analysis will be updated annually to reflect changes in expenditure, commodities and other relevant material changes and will allow the council to manage its procurement resources more effectively to ensure these are targeted to the appropriate categories of spend.

ARGYLL AND BUTE COUNCIL



SUSTAINABLE PROCUREMENT POLICY 2018/19

“Argyll and Bute Council recognises the significant corporate responsibilities it has as one of the area’s major purchasers and the positive social, economic and environmental influence it can have through its purchasing decisions. Argyll and Bute is a unique area that is rich in natural resources, vibrant and diverse communities and we hold those assets in our trust now and for generations to come. As a Council we are committed to sustainable procurement, and our procurement activities are not solely based on the economic factors, but aim to achieve the best value based on the whole life cost, the associated risks, measures of success and implications for society and the environment. We will also use our Sustainable Procurement Policy to help achieve population growth through the development of our local economies.”

Cleland Sneddon
Chief Executive

Date	Update / Section	By Whom
27/06/2017	V0.1	Elaine Appleby
04/10/2017	V0.2	Elaine Appleby

CONTENTS

1: Introduction	36
2: Policy Statement	37
3: Public Sector Procurement Landscape and Sustainable Procurement	38
4: Local Landscape and Sustainable Procurement	39
5: Sustainable Procurement Methodology	40
6: Summary	44

1: INTRODUCTION

- 1.1 Sustainable procurement is defined in the Scottish Government's "Sustainable Procurement Action Plan for Scotland" (2009) as the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment.
- 1.2 In recent years, Sustainable Procurement has become an increasingly important item on the Scottish political agenda. Procuring sustainably involves understanding the potential environmental, social and economic impacts that are a result of our purchasing decisions.
- 1.3 Argyll and Bute Council's Sustainable Procurement Policy sets out the direction for the Council and builds on existing sustainability practice. The Policy covers the three strands of sustainability: environmental, social and economic and aims to meet the substantial challenges of balancing the complexities of sustainable procurement within today's economic climate and continued drive for best value.
- 1.4 Argyll and Bute Council is one of the region's major purchasers, with a total spend in 2016/17 of £132 million, on a diverse range of goods, services and works from third parties, and recognises that its purchasing decisions have social, economic and environmental implications, both locally and nationally, now and in generations to come. It is important that this enormous spending power is used to support key Council objectives.
- 1.5 This Sustainable Procurement Policy has been developed to help the Council deliver its key strategic objectives and to meet a range of duties relating to sustainable development and climate change. This policy expands on the commitment to sustainable procurement which is set out in the Council's Procurement Strategy 2018/19. It is intended that it will apply to all contracts for works, goods or services in which the Council has an interest. From writing sourcing strategies to evaluating bids, the Council should seek to integrate relevant sustainability issues into its everyday procurement activity.

2: POLICY STATEMENT

- 2.1 The aim of this Sustainable Procurement Policy is to ensure that Argyll and Bute Council embeds the principles of sustainability within its procurement activities to ensure that only products and services which can be described as 'best value' are selected and that in all cases a balanced consideration of economic, social, and environmental impacts are undertaken throughout the procurement process.
- 2.2 This Policy also aims to ensure that Argyll and Bute Council's employees, contractors and suppliers are aware of the Council's commitment to long-term economic, social, and environmental sustainability.
- 2.3 Adoption of this policy shall contribute to the Council's Best Value obligations, towards the Procurement & Commercial Improvement Programme (PCIP), Best Practice Indicators (BPIs) and towards Climate Change targets [the national carbon reduction target is 42% by 2020].
- 2.4 Sustainable Procurement also contributes to the Scottish Government's 7 Purpose Targets of Economic Growth, Productivity, Participation, Population, Solidarity, Cohesion and Sustainability.

2.5 Council Commitment

The Council will strive where appropriate and possible, to ensure that decisions on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments and that commercial relationships are formed and nurtured with supplier and partnering organisations who share our values on sustainability.

3: PUBLIC SECTOR PROCUREMENT LANDSCAPE AND SUSTAINABLE PROCUREMENT

There are various pieces of legislation/Scottish Government tools/best practice which impact on the Council's Sustainable Procurement Policy:

- 3.1 Revised Flexible Framework
- 3.2 The Public Contracts (Scotland) Regulations 2015
- 3.3 Procurement Reform (Scotland) Act 2014 (including the Sustainable Procurement Duty)
- 3.4 Zero Waste (Scotland) Regulations 2011
- 3.5 Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
- 3.6 Climate Change (Scotland) Act 2009 and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015
- 3.7 Local Government in Scotland Act 2003

4: LOCAL LANDSCAPE AND SUSTAINABLE PROCUREMENT

There are also various internal policy documents and strategies which impact on the Council's Sustainable Procurement Policy:

- 4.1 Single Outcome Agreement for Argyll and Bute
- 4.2 Argyll and Bute Council Corporate Plan for 2015-2017
- 4.3 Argyll and Bute Council Procurement Strategy 2018/19
- 4.4 Argyll and Bute Council Procurement Manual
- 4.5 Argyll and Bute Council Community Benefits in Procurement Guide
- 4.6 Carbon Management Plan (2011)

5: SUSTAINABLE PROCUREMENT METHODOLOGY

5.1 Priorities:

The Council's Sustainable Procurement Policy will give guidance and direction, whilst remaining flexible to change as the Council continues to embed sustainability into the procurement process. This policy outlines the key sustainable procurement commitments which will be applied to all procurement activity carried out by the Council. Compliance with this policy and other linked policies set out in this document is mandatory. This will be achieved by a focus on the following priorities within the structure of the revised Flexible Framework:

1 People

- a) We will use organisational development opportunities, and e-learning to share knowledge and ensure annual refresher training on the latest sustainable procurement principles for key procurement staff, to meet any knowledge gaps.
- b) We will establish clear leadership to drive the embedding and continuous improvement of sustainable procurement within the Council, through having a Sustainable Procurement Champion within the Council.
- c) We will publicise our commitment and successes in Sustainable Procurement.

2 Objectives, Strategy & Communications

- a) We will carry out sustainable procurement whilst complying with national and EU procurement regulations that protect and encourage open and transparent public procurement.
- b) We will ensure our Sustainable Procurement Policy continues to meet all external requirements, as well as complementing the Council's internal Strategies.
- c) We will ensure relevant communications strategies are developed and actioned as required, in relation to Sustainable Procurement outcomes.
- d) We will communicate this policy and accompanying guidance to all Council staff and elected members.

3 Process

- a) We will consider sustainability issues in relation to the economic, social and environmental wellbeing of our area throughout the procurement process, including within strategy documents and

contract conditions and specifications.

- b) We will use Community Benefits Clauses where appropriate, in line with the Council's Community Benefits Clauses in Procurement Guide, reporting on achievements to the Council's Procurement Board on a quarterly basis.
- c) In relation to economic considerations, our priorities will be:
- To use mandatory sub-contracting clauses in all proportionate and relevant contracts;
 - To lot contracts where appropriate to encourage Small and Medium size organisations to bid, and to ensure that tender documents are proportional to the requirement to remove unnecessary obstacles.
- d) In relation to social considerations, our priorities will be:
- To ensure there is no intentional discrimination against specific groups of people when undertaking procurements - Equalities and Diversity considerations will be embedded throughout the procurement process;
 - To ensure that our contract terms require suppliers to support the health, safety, welfare and rights of their employees and supply chain;
 - To promote fair trade options throughout the Council;
 - To promote the use of Supported Businesses, where their prices and capacity to deliver is comparable to the rest of the market.
- e) In relation to environmental considerations, our priorities will be:
- To ensure that our procurements minimise our contribution to climate change and support goods, services and works that are well-adapted to the consequences of a changing climate;
 - To ensure that our procurements are necessary – where appropriate re-using, repairing or refurbishing existing goods;
 - To specify fresh, seasonal, nutritious, and where possible, organic food, and to not knowingly purchase genetically modified food or food with genetically modified ingredients;
 - To specify minimum packaging, reusable packaging and packaging take-back;
 - To minimise any negative impacts of our procurements on biodiversity;
 - To use recycled paper throughout the Council where there are no compatibility issues with existing equipment;
 - To consider animal welfare when procuring; and wherever possible to not purchase goods developed using animal testing.

4 Engaging Stakeholders

- a) We will engage with our suppliers and stakeholders to remove barriers to participation in procurement and maximise impact of sustainable opportunities.
- b) We will support local and regional small and medium sized enterprises, voluntary and community groups, social enterprises, charities and cooperatives, businesses involving minority individuals and groups, and individuals and groups with protected characteristics, to participate in procurement opportunities.
- c) Where appropriate, we will consult with the people whose needs we aim to meet through our procurement to ensure that we procure goods, services and works that actually meet their needs.
- d) We will work with suppliers to educate them on sustainable procurement and our policy, to encourage them to use more sustainable goods, processes and working practices in their own business operations and encourage them to engage in sustainable procurement activities within their own supply chain.
- e) We will consult with stakeholders, including suppliers and Third Sector agencies, to ensure views are considered on sustainable outcomes sought.

5 Monitoring & Reporting

- a) The Council's ongoing programme of reviewing and improving our procurement processes will seek to ensure they remain transparent and open to the whole of the supplier community.
- b) We will ensure suppliers comply with their commitments to the sustainability criteria within our specifications and their tender submissions by building in proportionate, effective monitoring and management into contract arrangements.
- c) We will measure and report on our progress in embedding and continuously improving sustainable procurement and its contribution to delivering sustainable development annually.
- d) We will continue to ensure that reporting requirements relating to Sustainable Procurement are met, including Climate Change Reporting requirements, Equality reporting requirements, and internal reporting of Community Benefits achieved
- e) We will continue to self-assess the Council's progress against each theme of the Flexible Framework annually, and report on our progress.

5.2 Implementation:

- 5.2.1 All Services of the Council will be expected to support the implementation of this Policy.
- 5.2.2 To ensure the successful implementation of this policy, all procurement staff will receive training on the contents.

5.3 Monitoring:

- 5.3.1 All progress against the stated priorities within this Policy will be reported on an annual basis.

5.4 Review:

- 5.4.1 This Policy will be reviewed by the Procurement and Commissioning Team annually to ensure that it remains up to date in terms of any relevant new legislation or guidance, and to ensure that it continues to deal with the issues it was designed to address.
- 5.4.2 The Council will ensure that when the Policy is reviewed, key stakeholders are consulted by seeking their views on the content of the policy.

6: SUMMARY

Argyll and Bute Council is committed to the ongoing development and delivery of sustainable procurement for all three strands of sustainability: environmental, social and economic. By adopting the approach detailed above, this Sustainable Procurement Policy will help deliver local and national objectives which, in turn ensures a more sustainable outcome to our procurement activity.

**For Further information please contact:
Elaine Appleby, Sustainability Lead Officer, Procurement and Commissioning
Team – Elaine.appleby@argyll-bute.gov.uk**