

# ARGYLL AND BUTE COUNCIL



## PROCUREMENT STRATEGY

**2021/22**

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## Section 2 – Introduction

- 2.1. This Procurement Strategy sets out the vision, objectives and actions which will direct and govern procurement activities for Argyll and Bute Council for 2021 to 2022.
- 2.2. These reflect both national and local policies and priorities, and includes our approach to the economic recovery plan in response to the COVID-19 Pandemic, Brexit, Suppliers' Fair Working Practices and Ethicality, Sustainability, Climate Change, Corporate Social Responsibility, Small and Medium-sized Enterprises (SMEs), Supported Businesses, and Third Sector organisations.
- 2.3. They recognise the current budget constraints and an increasing demand for goods, services and works.
- 2.4. Procurement is a key strategic driver to enable the business community and the communities we serve to adapt, diversify and flourish despite economic pressures. The present economic landscape has created unique but not insurmountable challenges for the area.
- 2.5. Procurement plays a pivotal role in supporting the Council's strategic plan and will continue as a key enabling strand within the ongoing reform and continuous improvement of the Council.
- 2.6. The Argyll and Bute Council Procurement Strategy 2021/22 relates to our overall procurement approach, with specific focus on regulated procurements. Regulated procurements are defined as works contracts over £2million in value, and supplies and services contracts over £50,000 in value.
- 2.7. 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 2021/22 and will be updated on an annual basis. These aims and goals reflect both national and local policies and priorities. Through adhering to the Procurement Strategy, the Council will manage and mitigate the potential risks associated with public sector procurement. Such risks include the potential for challenge from unsuccessful tenderers, the risk of not achieving best value for Council Services and failing to support the Council's strategic aims.
- 2.8. 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.
- 2.9. 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/...

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 Contract Management Team has provided and will continue to provide support to local organisations, by structuring tender opportunities, wherever possible, to enable local organisations to bid for Council contracts and by 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

Our vision is to be recognised by all Argyll and Bute stakeholders as a Procurement team that works collaboratively, both internally as an embedded function of all Council services strategically used to support the economic, social and environmental needs of the residents of Argyll and Bute, externally, to support Argyll and Bute communities, local small and medium enterprises, third sector organisations, social enterprises, supported businesses and micro-enterprises whilst delivering value for money for the people of Argyll and Bute.

### 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 Outcome Improvement Plan.
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 (MEAT), 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./...

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 residents 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 Our main aim is to ensure the principles of public procurement - transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability - underpin our procurement activity.

The Council's new Procurement Strategy for 2021/22 takes account of the Annual Procurement Report 2019/20, 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.

We will continue to generate process efficiencies and real cash savings through rigorous challenge of all our purchasing decisions, continue to work more cohesively and collaboratively with our internal clients and external stakeholders to identify better ways of working. This enhances our focus and considers innovative procurement methodologies to achieve best value outcomes in service areas such as social care.

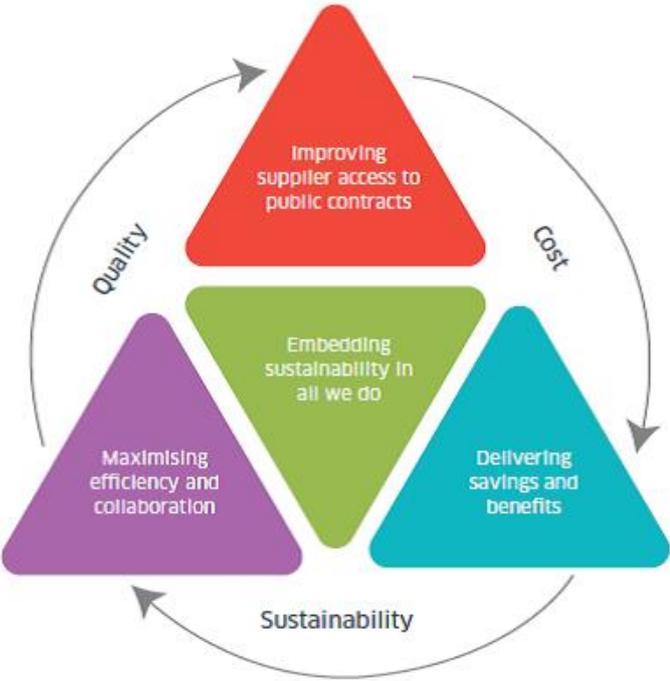
- 4.2 The Council is mindful that the impact of procurement is far greater than this definition of a 'process' and our vision, objectives and principles as set out in this strategy illustrate the contribution that effective procurement arrangements can make to wide ranging socio-economic agendas. These include equality and diversity, a successful local economy, a thriving voluntary and third sector, environmental issues and value for money for Argyll and Bute residents.
- 4.3 Current external impacts on the Council's Procurement Strategy include the outbreak of COVID-19 which is having a significant impact on businesses of all sizes as is the unknown path that Brexit will take as at the time of writing this Strategy. Many suppliers will struggle to meet their contractual obligations and this will put their financial viability, ability to retain staff and their supply chains at risk.

Other impacts are demographic changes within Argyll and Bute, managing expectations of stakeholders within reduced budgets, environmental challenges including upcoming changes in relation to waste management and carbon reduction to meet climate change targets, and the need to ensure our processes are in line with current best practice.

The Council continues to follow the Scottish Government Road Map to recovery which plays a hugely significant role in how our local economy can re-open. We are also becoming increasingly aware of the economic and social impacts of the COVID-19 pandemic and the places where we, working with our partners, need to take appropriate action mirroring the emerging Government economic themes but set within the context of Argyll and Bute. This Strategy also supports the delivery of the Council's Decarbonisation Plan.

4.4/...

- 4.4 Internal impacts on this Strategy and the Council’s Procurement and Contract Management Team include the need to take account of the requirements of the Constitution, Corporate Plan and Outcome Improvement Plan, 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 residents of Argyll and Bute.
- 4.5 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 & Action Plan

### 5.1 Our strategic aims

The Strategic Aims of the Procurement and Contract Management Team support the overall Argyll and Bute Council Corporate Plan 2018-2022, specifically to support the Council in its mission to deliver our six outcomes and make Argyll and Bute a place people choose to Live, Learn, Work and Do Business:

- Our Economy is diverse and thriving
- We have an infrastructure that supports sustainable growth
- Education skills and training maximise opportunities for all
- Children and young people have the best possible start
- People live active, healthier and independent lives
- People will live in safer and stronger communities

The team recognises the strategic importance of maximising the economic benefits from directing Council spend to local businesses in terms of benefiting the local economy to ensure it is growing, diverse and thriving.

To support delivery of these outcomes the procurement team will continue to facilitate participation from local contractors in the procurement process to increase opportunity for local spend where possible by:

- a. Considering lotting strategies for all contracts and, where appropriate, dynamic purchasing systems to enable local suppliers the opportunity to access Council contracts. This will be documented in all contract strategies which will be prepared in advance of procuring all regulated contracts;
- b. Simplifying tender documents to ensure the procurement process is proportionate and easy to navigate;
- c. Delivering an effective programme of supplier engagement and events across the region aligned to forthcoming contract opportunities, supporting our local small and medium sized businesses to meet their growth potential;
- d. Using community benefits clauses and approaches to help deliver additional benefits for the communities of Argyll and Bute; and
- e. Promoting the living wage and wider fair working practices.

Whilst it would not be acceptable to give preference to local businesses during any particular procurement, efforts will continue to be made to ensure that local businesses are given the opportunity to bid for our contracts and to have the greatest chance of being successful in winning Council and other public sector business.

5.2 For all of our procurement activity we aim to build upon the achievements and benefits derived from the Council's previous corporate procurement strategies, with a view to:

- Build/...

- Build capacity and skills within the Council to continue to improve procurement, commissioning and contract management activity;
- Promoting the benefits of early procurement engagement and innovation;
- Making sure we comply with our statutory procurement duties;
- Increasing the level of collaboration both internally, between service areas, and externally with other partner organisations;
- Making sure we continue to adopt a partnership approach between internal and external partners;
- Encouraging more innovative use of community benefits requirements and ensuring that community benefit outcomes have been achieved that deliver for our local communities;
- Engaging proactively with key suppliers through contract and supplier relationship demand management to ensure that we extract maximum value and innovation from our supply base;
- To enhance contract management throughout the Council to increase efficiency and deliver better value for money;
- Focusing our procurement activity on delivering best value improvements for the people and communities in Argyll and Bute;
- Working co-operatively in everything we do to support Small and Medium-sized Enterprises (SMEs) and the third sector organisations. Continue to improve access to public sector contracts, particularly for local SMEs, Supported Businesses, Social Enterprises, Co-operatives and Third Sector;
- Ensuring procurement activity contributes towards the Council's general Equality Duty towards all stakeholders in Argyll and Bute and beyond;
- Continuing to promote sustainability, fair work practices and the importance of equality and equal treatment through procurement;
- Setting out clear and achievable strategic objectives which support delivery of the Council's wider goals and objectives; and
- Making sure we continue to investigate and develop purchase to pay systems to improve our procurement methods.

5.3 **Our key priorities for our regulated procurements for 2021/22, in line with Section 15(5) of the Procurement Reform (Scotland) Act 2014, are:**

#	Priority	Activities	
1	<p><b>Ensuring that the Council's regulated procurements will deliver value for money through applying the following key principles:</b></p> <p>Increasing our collaboration with other organisations, where possible;</p> <p>Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised;</p> <p>Developing contract plans of future procurements to improve our services;</p> <p>Utilise both existing national frameworks and develop our own frameworks when it is best value to do so for the Council; and</p> <p>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>	A	Work with Services to put regulated contracts in place, where possible, to reduce levels of addressable non-contracted spend (Ongoing)
		B	Contract Plans of future regulated procurements to be included in Annual Procurement Reports (Ongoing)
		C	Work with our partner agencies to consider collaboration, and include their requirements in Commodity Sourcing Strategies (CSSs) for all regulated procurements, in particular, ensuring improved engagement with NHS Highland/ HSCP in their procurement activity (Ongoing)
		D	CSS templates ensure thorough consideration of all opportunities for regulated procurements (Ongoing)
		E	Whole-life costing is included within CSS templates, to be considered where appropriate, for regulated procurements (Ongoing)
		F	<p>Training will continue to be provided to ensure all service staff have a better understanding of their role/responsibility in procurement process;</p> <ul style="list-style-type: none"> <li>• Training for contract and project management skills within standard external contracts i.e. SBCC, NEC3 is to be continued to both procurement and service staff in 2021.</li> </ul>
2	<p><b>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:</b></p> <p>Maintaining consistency and transparency in our procurement processes;</p> <p>Using electronic communications for all procurement activity, while providing alternative communication methods if requested;</p> <p>Ensuring open public and market engagement;</p> <p>Using clear and precise language to ensure a common understanding of the requirements; and</p> <p>Utilising Council thresholds to ensure proportionality regarding the appropriate type of procurement process.</p>	A	All regulated procurements to be published via PCS/PCS-T to maintain consistency and transparency (Ongoing)
		B	Specifications within regulated procurements will include references to EU and British standards where appropriate (Ongoing)
		C	All Council value thresholds for procurements will be complied with for regulated procurements (Ongoing)
		D	Ensure processes and templates for regulated procurements reflect requirements of the Procurement Journey for tender processes and contract management (Ongoing)
		E	Continue to ensure SOCO checks are carried out as standard on all Preferred Tenderers for Regulated Procurements – CARR templates will be updated to include this requirement (Ongoing)

#	Priority	Activities	
3	<p><b>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:</b></p> <p>(i) payments due by the Council to a contractor;</p> <p>(ii) payments due by a contractor to a sub-contractor;</p> <p>(iii) payments due by a sub-contractor to a sub-contractor, by:</p> <p>Including a standard contract clause to this effect in our regulated procurement contracts;</p> <p>Including a clause regarding the prompt payment of sub-contractors within our regulated procurement contracts; and</p> <p>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.</p>	A	We will aim to meet the target of 95.5% per quarter of invoices paid within 30 days during 2021/22.
		B	All regulated procurements in 2021/22 will include the standard clause in relation to payments within 30 days (Ongoing)
		C	All regulated procurements in 2021/22 will include a clause regarding the prompt payment of sub-contractors (Ongoing)
4	<p><b>Ensuring that the Council's regulated procurements will contribute to the carrying out of its functions and achievement of its purposes through:</b></p> <p>Considering the Council's approach to procurement in the context of the wide range of joint plans and strategies developed internally and externally, with other local authorities and partner organisations;</p> <p>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</p> <p>Promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes.</p>	A	Carry out external and internal research when developing PS and SPP 2022/23 (Ongoing)
		B	Carrying out consultation for PS and SPP 2022/23 as per Section 8 (Ongoing)
		C	Carry out consultations for individual regulated procurements as relevant and appropriate (Ongoing)
		D	Deliver on the new method of delivering community benefits for our communities.
		E	The recently introduced new approach to contract and demand management is to be further embedded across the Council during 2021/22 and reported on.
		F	Procurement refresher training sessions for departmental staff who manage regulated contracts to be held in 2021/22.
5	<p><b>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;</b> through:</p> <p>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.</p>	A	Consideration will be given at the initial stages of individual regulated procurements to whether it is relevant to address living wage and fair work practices (Ongoing)
		B	Payment of the Living Wage will be monitored by contract management activity in relevant regulated contracts.

#	Priority	Activities	
6	<p><b>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</b> by, where relevant and proportionate:</p> <p>Considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland (PCS) as well as utilising the Council's social media platforms;</p> <p>Considering in the initial sourcing strategy stage the opportunity to break requirements into smaller lots; and</p> <p>By using clear and precise language preventing broad interpretation as well as offering alternative language formats if requested.</p>	A	PINs will be published on PCS for all appropriate regulated procurements in 2021/22
		B	Consideration will be given within the initial CSSs to lotting all regulated contracts in 2021/22 (Ongoing)
		C	We will offer alternative language formats when requested (Ongoing)
7	<p><b>Complying with the Council's Sustainable Procurement Policy (Appendix) in relation to the use of community benefit requirements.</b></p>	A	Community Benefits Clauses will be included in regulated procurements as outlined in the Sustainable Procurement Policy 2021/22 (Ongoing)
		B	Report on the new methodology of delivering community benefits that have been requested by our local communities.
8	<p><b>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,</b> through:</p> <p>Assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and</p> <p>Ensuring that our requirements for individual contracts meet current legislation as a minimum.</p>	A	Health and Safety considerations will be included at all stages of regulated procurement processes in 2021/22 (Ongoing)
		B	All regulated works procurements in 2021/22 will include reference to the current CDM regulations (Ongoing)
9	<p><b>Complying with the Council's Sustainable Procurement Policy (Appendix 1) in relation to the procurement of fairly and ethically traded goods and services.</b></p>	A	The procurement of fairly and ethically traded goods and services will be considered within the CSS of all regulated procurements in 2021/22 (Ongoing)
10	<p><b>Complying with the statutory requirements on how we intend our approach to regulated procurements involving the provision of food;</b> to:</p> <p>(i) improve the health, wellbeing and education of communities in the authority's area; and</p> <p>(ii) promote the highest standards of animal welfare</p> <p>by considering relevant national guidance and by providing fresh produce to our local communities.</p>	A	Any regulated catering contracts carried out in 2021/22 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' (Ongoing)

#	Priority	Activities
11	<p><b>Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements</b> including, where appropriate and proportional:</p> <p>Consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements;</p> <p>Considering the National Standards for Community Engagement during this process; and</p> <p>Ensuring the outcomes of any consultations will be taken account of within our regulated procurements.</p>	<p>A Consultations with relevant stakeholder groups will be carried out at the CSS stage of regulated procurements in 2021/22, where relevant and proportionate (Ongoing)</p>
12	<p><b>Ensuring that the Council's regulated procurements will be carried out in compliance with the sustainable procurement duty</b> through:</p> <p>Embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises;</p> <p>Considering how individual procurement exercises can assist the Council to improve the economic, social, and environmental wellbeing of Argyll and Bute;</p> <p>Facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported businesses in the procurement process; and</p> <p>Promoting innovation at the initial stage of regulated procurements.</p>	<p>A Consideration of Sustainability issues – Social, Environmental and Economic – will be embedded throughout the procurement process for regulated procurements in 2021/22 (Ongoing)</p> <p>B Inclusion of a mandatory sub-contracting clause in regulated procurements where relevant and proportionate (Ongoing)</p> <p>C Promote sub-contracting opportunities to SMEs through promoting the use of PCS on the Council's website.</p> <p>D Share knowledge and participate in events aimed specifically at local SMEs and third sector bodies, and Scottish suppliers, for example by publicising Supplier Development Programme events and providing assistance with the tender process through Business Gateway.</p> <p>E Review existing method of engaging with local supply base and engage with Communications Team and Business Gateway to target a wider audience of potential new suppliers, with the aim of increasing the number of new suppliers on our quick quote distribution list.</p>

5.4 Key Performance Indicators by which we will measure the success of the Action Plan are detailed in Section 7.

5.5 The Council's Contract Plan can be found at:  
[https://www.argyll-bute.gov.uk/sites/default/files/contract\\_plan\\_2020-21.pdf](https://www.argyll-bute.gov.uk/sites/default/files/contract_plan_2020-21.pdf)

## Section 6 – Procurement Strategy by Category

### CORPORATE & EDUCATION

#### Scope/Key Spend Areas

The Corporate & Education Category consists of the following areas:

- Education
- Corporate
- ICT
- HR/Training
- Transport (*including Bus, Air, Boats & Fleet*)
- Catering & Cleaning
- Economic Development
- Travel & Accommodation
- Leisure & Sports

#### 2021/22 Strategy

Analysis of the existing spend profile (financial year 2019/20) across the Corporate & Education Category has identified the volume of uncontracted suppliers as a priority areas of focus. The analysis breaks down as follows:

Spend Type	Number of Orders	Total value (£)	Number of suppliers	Average transaction value (£)	Total Percentage
Contracted	25846	£22.65m	283	£876.28	87%
Uncontracted	7535	£3.51m	977	£465.90	13%

A combination of the followings actions will be in our strategy to address this:

- To continue to support all services to source and purchase goods and services from national and local contracts where possible.
- To continue to increase the remit of the Transactional Purchasing Team (TPT) and grow the team's procurement knowledge and skills to aid services in ensuring best value is achieved for all low value spend.
- To continuously review the Professional Electronic Commerce Online System (PECOS) to ensure catalogues and suppliers are up to date and available for use by both the TPT and service end users.
- Continue to review the system setup of PECOS, test new functionality as it becomes available/resource allows and hopefully implement to improve user experience.
- To continue to work with all services to implement the No PO No Payment; resulting in the stopping of all relevant manual batched payments and access to line item detail of all supplier spend.
- To ensure all Council staff have the knowledge, skills and tools to ensure every order is placed via the appropriate procurement system; PECOS, Tranman, CareFirst, Concerto or Purchase Card.

## Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Corporate & Education over the next 2-3 years is:

- **Transactional Purchasing Team (TPT):** Continue to increase the volumes of spend currently uncontracted to the TPT for sourcing. Increase volume of Invitation to Quotes (ITQs) processed and awarded via TPT. Complete the roll out of requesting corporate purchases and travel and accommodation requests via PECOS and stop all paper request forms.
- **National Contracts:** As new national contracts become available, assess suitability and carry out Best Value review. If deemed appropriate, roll out to relevant users and on PECOS.
- **PECOS:** Promote the use of local and collaborative contracts to achieve best value via the PECOS Noticeboard and email communications to both TPT staff and PECOS end users.
- **Contract Management:** Continue to undertake contract and supplier management meetings with key suppliers.
- **Catering Contracts:** Continue to utilise Scotland Excel frameworks in order to achieve best value and process efficiency. Continue to work with the service to implement local contracts as appropriate.
- **Cleaning Contracts:** Continue to utilise Scotland Excel frameworks in order to achieve best value and process efficiency.
- **ICT:** Continue to use available frameworks and procurement services as required.
- **Corporate:** Continue to utilise Scotland Excel and Scottish Procurement frameworks in order to achieve best value and process efficiency. We will work with all Services to implement demand management via the TPT for corporate goods not covered by national frameworks to ensure best value.
- **HR Contracts and Training:** Review of HR contracts ongoing with ICT. The Procurement and Contract Management Team will work on an ongoing basis with the Services to consider ways of improving and streamlining the central delivery with maximum use of training contracts and frameworks. Work with HR to utilise available frameworks as far as possible.
- **Transport:** Continue to provide procurement support to the School and Public Transport and Strategic Transport Teams. Work with the service to review existing contracts and schedule tendering exercises for the coming years, engaging the market as early as possible.
- **Live Argyll:** Continue to provide procurement services as required.
- **Education:** Continue to provide procurement services as required.

## Longer Term Strategy

The longer term strategy for the procurement of goods and services within Corporate & Education over the next 3-5 years includes:

- **Collaboration:** Greater engagement with potential partnerships with consideration to more collaborative procurement working, shared services and outsourcing opportunities.
- **Catering and Cleaning:** Provide procurement support for Cleaning and Catering Innovation programme.
- **ICT:** Annually review overarching ICT Category Strategy.
- **Corporate:** Develop an overarching Corporate Category Strategy. Expand the contract and supplier management process.
- **Transport:** Expand the contract and supplier management process. Annually review the Passenger Transport Category Strategy and continue to explore options to implement price adjustments in contract to enable transport operators to price more competitively and spread identified contract risks between Operators and Argyll and Bute Council.

# CONSTRUCTION & ENVIRONMENT

## Scope/Key Spend Areas

The Construction & Environment Category consists of the following areas:

- Construction Consultancy
- Construction Supplies
- Building Works & Services
- Infrastructure Works & Services
- Environment

An analysis of the existing spend profile within the Construction & Environment Category has identified a number of priority areas of focus. These key areas include:

- Procurement of all goods and low value services (up to £20,000) within Roads and Infrastructure Services routed through the Construction Purchasing Team via [dandipurchasing@argyll-bute.gov.uk](mailto: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.
- Major Projects – Procurement and contract management support will be provided to ongoing and upcoming projects, including the Helensburgh Waterfront Development project.
- Statutory Maintenance Contracts – Providing procurement support for ongoing and upcoming term contract requirements.
- Rural Growth Deal (construction and infrastructure related themes).

## Short/Medium Term Strategy

The short term strategy for the procurement of works, goods and services within Construction & Environment over the next 2-3 years is:

- Continue to put in place framework agreements to cover core areas of spend, including Marine Operations;
- Continue to ensure adequate resource to support Major Projects 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 travel and accommodation requests via PECOS to Development & Infrastructure Services;
- Continue use of Vendor Rating System for Infrastructure Works Quick Quotes, improving system where appropriate;
- Replace the Vendor Rating System for Building Works Quick Quotes with a Dynamic Purchasing System to further support SMEs and local contractors in accessing opportunities;
- Provide/...

- Provide support to the HSCP and Council teams with the development of the Place Based Review in Dunoon and Rothesay;
- **Statutory Maintenance Term Contracts:** The PCMT is currently working with Property Services to introduce new Term Contracts to cover the Council's statutory requirements in relation to buildings 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 the Council's requirements – where possible, these should be created using methods to encourage local SMEs to submit tenders. New or revised frameworks could include Ecologists, QS services, Architectural, Civil/Structural, etc. i.e. all Design Services, even where that service is available in-house (to provide support where there are capacity issues).

### **Longer Term Strategy**

The longer term strategy for the procurement of works, goods and services within Construction & Environment over the next 3-5 years includes:

- With regards to Waste Management, changes in legislation will bring new requirements for the Council (construction of new processing, sorting facilities on the Islands, covering landfill sites, etc.) to be confirmed by the Service;
- Assist Services in increasing their commercial awareness in terms of opportunities on Public Contracts Scotland, subject to availability of adequate resource in the service;
- Provide procurement support to assist the Property Services team with increasing levels of contracted statutory maintenance spend from the current levels.

## CARE & HOUSING

### Scope/Key Spend Areas

The Care & Housing Category consists of the following areas:

- Adult Services
- Children's Service
- Housing & Homelessness Services
- Early Years
- Aids and Adaptations

An analysis of the existing spend profile within the Care & Housing Category has identified key areas of focus.

The highest spend within the Care and Housing Category comes from the Health and Social Care Partnership (HSCP). The HSCP are in the process of developing their Market Facilitation and Commissioning Strategies which will complement the [Strategic Plan](#) and inform future procurement activity. While we can't predict what any new activity may look like, we can expect that the following will be key areas of focus:

#### ➤ **Care at Home and Supported Living Services**

Scotland Excel have developed a national contract for delivery of these services. Argyll and Bute Council, on behalf of the Integrated Joint Board (IJB), were involved in the development of this contract and are named on the contract, however, are not using it at this stage. Local contracts are in place to 31<sup>st</sup> March 2021 and the HSCPs Care at Home Strategy will influence the future sourcing strategy.

#### ➤ **Older People's Care Homes**

Scotland Excel are working on the development of a new National Care Home Contract and it is our intention to continue using this. However, we must be aware of the continuing risk that negotiations will fail. In that instance, Argyll and Bute HSCP would have to develop locally negotiated contracts/collaborative arrangements with other partnerships.

#### ➤ **Adult and Children/Young People's Residential Placements (outside Argyll and Bute)**

The HSCP is in the process of implementing a strategy aimed at bringing people back to Argyll and Bute. This may result in some related procurement activity in the years 2020-2022.

#### ➤ **Aids and Adaptations**

A collaborative contract for supply, delivery and maintenance of disability equipment to people living at home is available for use by HSCPs across Scotland. Argyll and Bute HSCP opted out of the current contract but work on the new contract is expected to commence in 2021, and PCMT would recommend that the HSCP sign up to it this time around or develop a sourcing strategy for a bespoke contract.

#### ➤ **Technology/...**

### ➤ **Technology Enabled Care (TEC)**

While this area is not captured as a key focus in recent spend analysis, a major design change (analogue to digital) will result in a future procurement process. In addition, the general profile of TEC is increasing and this may be reflected in spend and procurement activity over the period of this strategy.

Outside of the HSCP, the following will be key areas of focus:

### ➤ **Early Learning and Childcare Services**

The implementation of the Scottish Government's policy of 1140 hours of funded childcare for eligible children has been delayed as a result of the COVID-19 pandemic but there will be a focus on ensuring that contracts are in place to facilitate this.

### ➤ **Housing**

Development is underway on the Tenancy Support Services Contract for individuals and families who are living in temporary accommodation; are under threat of homelessness and/or have recently been looked after.

## **Short/Medium Term Strategy**

The short term strategy for the procurement of goods and services within the Care & Housing Category over the next 2-3 years is:

Specific Procurements:

- The Council's continued participation in the National Care Home contract is expected and recommended. Scotland Excel are now actively involved in the negotiation process with COSLA and have successfully negotiated the contract for the year 2020/21. It is expected that from 2021/22 a longer term arrangement will be negotiated. The risk of failure of negotiations must continue to be monitored.
- 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.
- PCMT will be involved in the early stages of the HSCPs Transformation work in relation to Older People's Services and Adult Learning Disability and Mental Health Services. This work will inform the sourcing strategy for the future procurement of these services, including consideration of any Scotland Excel or other collaborative contracts.
- In late 2019/20 new contracts were awarded using the provisions of the Light Touch Regime for Carers Support Services following the introduction of the Carers (Scotland) Act 2016. A procurement process may be required in 2-3 years when the implications of the Act are clear.
- TEC – The profile of Technology Enabled Care (with the move from analogue to digital) is increasing, PCMT will monitor this through attendance at the TEC steering group.

## General Activity:

- Continue involvement in the development of the HSCPs Market Facilitation and Commissioning Strategy and the related transformational work streams. This work will likely prompt reviews of specific service areas, and result in procurement process and/or redesign of contracted services.
- To comply with the Guidance on the Procurement of Care and Support Services 2016 (Best Practice), making use of the provisions of the Light Touch Regime (LTR), where appropriate, under the Public Contract (Scotland) Regulations 2015. The LTR allows consideration of wider factors when sourcing Health, Social Care and Education services and legitimises their influence in decision making. These wider factors allow procurement activity to take account of the strategic vision of the HSCP, for example, in relation to sustainability; improved outcomes; continuity; choice and affordability.
- To support customers in making best use of the procurement options available, ensuring that sourcing strategies balance the desire for longer term contracts; partnership working and co-production with procurement related risks.
- PCMT will be involved in the remobilisation (or redesign) of services that have changed in response of COVID-19 to ensure that the HSCP have an awareness of any procurement requirements and contract implications.
- To continue to undertake contract and supplier management activity with key suppliers.
- To improve communication with customers by developing and promoting guidance and reports in relation to procurement and contract management activity.
- To provide general advice to the HSCP in relation to their management and review of Service Level Agreements (SLAs) to help achieve best value.
- To have a greater focus on Community Benefits as part of contract management to ensure that more of the provider's efforts are captured and formally recorded.
- To continue to review the terms and conditions for care services.
- To work with colleagues in the HSCP to ensure that contracts are in place to maximise the Self Directed Support (SDS) options as far as possible and to support the HSCP in balancing the risks of choice and control against best value (including procurement regulations).
- To ensure that suppliers providing services to vulnerable clients manage their health and safety risks appropriately. This will be achieved via proportionate and relevant checks pre-contract award and as part of contract management.
- To continue to work with customers and involve and guide them in the Contract and Supplier Management process to ensure maximum benefits are realised from the contract.

## Longer/...

## Longer Term Strategy

The longer term strategy for the procurement of goods and services within the Care & Housing Category over the next 3-5 years includes:

- Develop and continue to review Commodity Sourcing Strategy coverage for all high value/high risk procurements, ensuring that these strategies compliment the strategic vision of customers.
- 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. Dynamic Purchasing System (DPS).
- The team will continue to provide procurement support advice and assistance to the relevant customers, in order to ensure that they are receiving best value quality services from its suppliers, delivered safely and without unacceptable risks to health.
- Through appropriate and proportionate procurement and contract management activity, we will contribute to the achievement of our customers' strategic vision.

## Section 7 – Financial Analysis & Key Performance Indicators

- 7.1 The Council's total procurement spend in 2019/20 on supplies, services and works was £143.8 million, this is broken down by Category in the table below.

**Table 1: Procurement Spend by Category for 2019/20**

Category	Total Spend 2019/20
Construction & Environment	£71.94m
Corporate & Education	£26.16m
Care & Housing	£45.68m
<b>Total</b>	<b>£143.78m</b>

- 7.2 The following table shows the Council's spend in more detail by vCode Business Sector, a classification system appended by the Scottish Procurement Information Hub.

**Table 2: Procurement Spend by vCode Business Sector for 2019/20**

vCode Business Sector	Total Spend 2019/20
Social Care & Services	£43.03m
Construction	£29.42m
Facilities Management	£16.92m
Waste & Environmental Services	£11.67m
Other Goods & Services*	£8.16m
Travel & Accommodation	£6.56m
Financial Services	£5.08m
ICT	£4.30m
Utilities & Energy	£3.55m
Vehicles	£2.78m
Transport	£2.76m
Human Resources	£1.42m
Healthcare	£1.42m
Education	£1.15m
Food, Beverage & Catering	£0.90m
Arts, Sport & Leisure	£0.82m
Business Support Services	£0.81m
Security Equipment & Services	£0.56m
Professional Services	£0.55m
Legal	£0.42m

7.2 **Table 2: Procurement Spend by vCode Business Sector for 2019/20/contd**

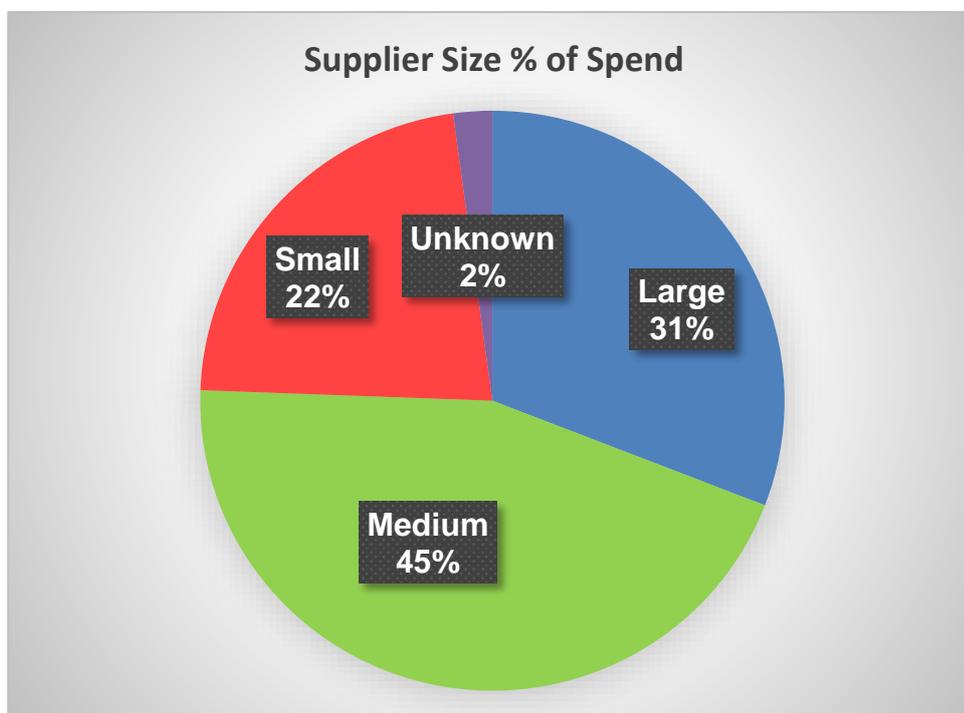
<b>vCode Business Sector</b>	<b>Total Spend 2019/20</b>
Marketing & Media	£0.34m
Animals & Farming	£0.32m
Manufacturing & Machinery	£0.19m
Data Not Available	£0.18m
Stationery & Office Products	£0.15m
Public Sector Bodies	£0.12m
Laboratory	£0.06m
Retail & Wholesale	£0.05m
Clothing	£0.04m
Charitable & Religious Activity	£0.04m
Personal Care	£0.01m
<b>Total</b>	<b>£143.78m</b>

7.3 The top 20 suppliers to the Council account for 48.1% of the procurement spend. The following table shows the top suppliers and spend for the year 2019/20.

**Table 3: Spend with Top 20 suppliers in 2019/20**

<b>Supplier Name</b>	<b>Total Spend 2019/20</b>
ABC Schools Ltd	£15.01m
Renewi Argyll & Bute Ltd	£7.95m
Hub North Scotland Ltd	£7.83m
Central Building Contractors (Glasgow) Ltd	£4.82m
West Coast Motor Services Co	£4.78m
Enable	£4.32m
Carr-Gomm Society Ltd	£3.50m
Hillhouse Quarry Company Ltd	£3.15m
Carers Direct Ltd	£1.95m
Kiely Bros Ltd	£1.93m
Affinity Trust	£1.73m
BCA Insulation	£1.68m
HC One Ltd	£1.61m
McKinven & Colville	£1.50m
DCF Joiners & Building Services Ltd	£1.36m
McKenzie Care Homes Ltd	£1.34m
Aspire Scotland Ltd	£1.22m
DMG Engineering Ltd	£1.18m
Barr Environmental Ltd	£1.17m
Luddon Construction Ltd	£1.16m
<b>Total Spend with Top 20 Suppliers</b>	<b>£69.19m</b>

7.4 In 2019/20, spend with SMEs accounted for 67% of procurement spend (where supplier size could be determined). The chart below shows the breakdown of spend with Small, Medium and Large companies for 2019/20.



7.5 Key Performance Indicators:

Year	Procurement spend with contracted suppliers (%)	Local suppliers that benefit from the awards of contracts via the procurement portal (% of contracts awarded with local main supplier or sub-contractor)	Contracts awarded to SMEs (% of contracts awarded)	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 (%)
Provisional 21/22 Target	90%	35%	76%	20%	20%	95.5%

## Section 8 – Implementation, Reviewing & Reporting

### 8.1 IMPLEMENTATION

#### 8.1.1 Consultation

The Council will undertake relevant and proportionate consultation and engagement as part of the preparation of this Procurement 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.

#### 8.1.2 Approval of Strategy

The Procurement 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 the DMT, SMT and Policy and Resources Committee.

#### 8.1.3 Publication of Strategy

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

### 8.2 REVIEWING

The Council will review this Procurement 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.

### 8.3 REPORTING

The/...

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 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 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 businesses in regulated procurements completed during the year.
- A summary of anticipated regulated procurements expected to commence in the next two financial years.
- Anticipated future procurements.
- Any other information as specified by the Scottish Ministers.

## Section 9 – Policies, Tools & Procedures

### National Policies:

- **Workforce Matters (SPPN 1/2015):**  
[https://www.webarchive.org.uk/wayback/archive/20180212234848mp\\_/http://www.gov.scot/Resource/0046/00469535.pdf](https://www.webarchive.org.uk/wayback/archive/20180212234848mp_/http://www.gov.scot/Resource/0046/00469535.pdf)
- **Scottish Model of Procurement:**  
<http://www.gov.scot/Topics/Government/Procurement/about/spd-aims>
- **Procurement Reform update (SPPN 1/2016):**  
<https://www.gov.scot/publications/procurement-policy-note-12016-update-on-procurement-reform/>
- **Scottish Sustainable Procurement Duty:**  
<https://www.gov.scot/policies/public-sector-procurement/sustainable-procurement-duty/>
- **EU Procurement Thresholds:**  
<http://www.gov.scot/Topics/Government/Procurement/policy/10613>
- **Procurement Journey:**  
<https://www.procurementjourney.scot/>
- **Procurement and Commercial Improvement Programme (PCIP) – Overview**  
<https://www.procurementjourney.scot/pcip/pcip-overview>
- **Public Contracts Scotland:**  
<http://www.publiccontractsscotland.gov.uk/>
- **Public Contracts Scotland Tender:**  
<https://www.publictendersscotland.publiccontractsscotland.gov.uk>
- **Equality Act 2010:**  
<http://www.legislation.gov.uk/ukpga/2010/15/contents>
- **Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012:**  
<http://www.legislation.gov.uk/ssi/2012/162/made>
- **Organisation for Economic Co-Operation and Development:**  
<http://www.oecd.org/about/>
- **Scottish Procurement Information Hub:**  
<https://www.gov.scot/publications/scottish-procurement-information-hub-contract/>

### Local Policies:

- **Sustainable Procurement Policy 2020/21:**  
<https://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents>
- **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/constitution>
- **Equality and Diversity Policy:** [https://www.argyll-bute.gov.uk/sites/default/files/approved\\_equality\\_and\\_diversity\\_policy.pdf](https://www.argyll-bute.gov.uk/sites/default/files/approved_equality_and_diversity_policy.pdf)

## Section 10 – Glossary

Term	Description
Annual Procurement Report	The Procurement Reform (Scotland) Act 2014 requires all contracting authorities obliged to publish a procurement strategy, to publish an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of its financial year.
Award	A decision to accept a tenderer's offer to supply/provide specified goods/services/works according to agreed terms and conditions, thereby creating a legally binding contract.
Best Value	The duty under the Local Government Act in Scotland 2003 to secure continuous improvement in the economy, efficiency and effectiveness with which they exercise their functions.
BPIs (Best Practice Indicators)	A common, core set of National Procurement Best Practice Indicators (BPIs) were developed by the Scottish Government and designed to be applicable and useful to procurement teams in all parts of the public sector in Scotland.
Brexit	An abbreviation for "British exit," referring to the UK's decision in a June 23, 2016 referendum to leave the European Union (EU).
CARR	Contract Award Recommendation Report
CSS	Commodity Sourcing Strategy - A document completed at the initial stage of a regulated procurement process.
Category	A collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.
Category Management	Procurement approach used within Argyll and Bute Council to manage categories of spend to increase efficiencies and expertise.
CDM Regulations	Construction (Design and Management) Regulations 2015
Collaboration	Cooperative joint working with another public sector organisation.
Commodity Sourcing Strategy	A document that shows the preparatory thinking that is done about a procurement process, including sustainability considerations, stakeholders to be involved, risks etc.
Community Benefits Clauses	Community Benefits Clauses provide a means of achieving sustainability in public contracts.
Contract Award Notice	A notice published on Public Contracts Scotland that a previously advertised opportunity has been awarded.
Contract Management	The process of monitoring the performance of a supplier to contract.

<b>Term</b>	<b>Description</b>
Contract Notice	Advert to invite applicants to express interest and apply to tender, or to be pre-qualified.
Contractor	The provider of any supplies, services or works under contract. Or, in the context of works at any stage of the process.
COSLA	Convention of Scottish Local Authorities - a councillor-led, cross-party organisation who champion Councils' work to secure the resources and powers they need. They work on Councils' behalf to focus on the challenges and opportunities they face, and to engage positively with governments and others on policy, funding and legislation.
DMT	Departmental Management Team within Argyll and Bute Council
Demand Management	To take costs out of an organisation by addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption.
DPS (Dynamic Purchasing System)	Electronic system that can be established to purchase goods and services, similar to a framework agreement, but where new suppliers can join at any time.
Equality Duty	Compliance with the terms of the Equality Act 2010 and any guidance provided by the Scottish Ministers for local authorities to comply with the Public Sector Equality Duties.
Framework Agreements	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
HSCP	Health and Social Care Partnership, also referred to as the Argyll and Bute Integrated Joint Board being the Integration Joint Board established by Order under Section 9 of Public Bodies (Joint Working) (Scotland) Act 2014.
ICT	Information and Communications Technology
IJB	Integration Joint Board
KPIs (Key Performance Indicators)	Measurable value that demonstrates how effectively the Council is carrying out procurements.
LTR (Light Touch Regime)	Reference to the process for the award of a public contract for social and other specific services.
MEAT (Most Economically Advantageous Tender)	Taking account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.

<b>Term</b>	<b>Description</b>
NEC	New Engineering Contract - is a formalised system created by the UK Institution of Civil Engineers that guides the drafting of documents on civil engineering and construction projects for the purpose of obtaining tenders, awarding and administering contracts.
Notice	Advert
OJEU	Official Journal of the European Union
PCIP (Procurement Commercial Improvement Programme) Assessment	Annual assessment of public sector organisations that focuses on the policies and procedures driving procurement performance and the results they deliver.
PCS (Public Contracts Scotland)	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
PCS-T (Public Contracts Scotland-Tender)	The national eTendering system.
PCMT	Procurement and Contract Management Team within Argyll and Bute Council
PECOS	Professional Electronic Commerce Online System – cloud based purchase to pay system used by Argyll and Bute Council.
PIN (Prior Information Notice)	Early notices on PCS to advise of the intention to advertise later.
Procurement Strategy	The Procurement Reform (Scotland) Act 2014 requires contracting authorities with significant procurement expenditure in the next financial year to publish a procurement strategy setting out how they intend to carry out regulated procurements, or review the current strategy and make appropriate revisions.
Procurement Exercise	Full end to end procurement exercise documentation from strategy development to contract and supplier management.
Procurement Function	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
Procurement Journey	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools, where appropriate, to ensure a standardised approach to the supply base.
Procurement Manual	Internal Argyll and Bute Council operational procurement guide.

<b>Term</b>	<b>Description</b>
P2P (Purchase to Pay) Process	Entire supply chain process – from goods receipt to payment process.
Quick Quote	Procurement method for lower value tenders, where the Invitation to Quote/Invitation to Tender is sent to a set distribution list of suppliers rather than being publically advertised.
SBCC	Scottish Building Contract Committee – organisation to produce building contracts designed to meet the needs of the construction industry in Scotland.
Scotland Excel	Scotland Excel is the Centre of Procurement Expertise for Scotland's local government sector.
Scottish Procurement	Directorate within the Scottish Government, carrying out procurements on behalf of the Scottish public sector.
SDS	Self Directed Support
Services/ Supplies/ Works	<p>A public service contract is a contract having as its object the provision of services.</p> <p>A public supply contract is a contract having as its object the purchase, lease, rental or hire purchase with or without an option to buy, of products.</p> <p>A public works contract is a contract having as its object a building or civil engineering project or piece of work.</p>
SLA	Service Level Agreement – A commitment between a service provider and a client.
SMEs (Small and Medium Enterprises)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
SMT	Strategic Management Team within Argyll and Bute Council
Social Enterprises	Businesses whose primary objectives are social or “more than profit”.
SOCO	Serious and Organised Crime Organisations
Specifications	The part of the invitation to quote or invitation to tender which details the nature and quality of the goods, services or works.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Standing Orders	The set of rules governing the procurement and financial regulations with which the Council must comply, in terms of the Local Government Scotland Act 1973.

<b>Term</b>	<b>Description</b>
Supplier	An entity who supplies goods or services
Supplier Development Programme	A business support initiative using training and information to improve the competitiveness of local businesses.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
Sustainability	In relation to procurement, sustainability involves understanding the potential environmental, social and economic impacts that are a result of purchasing decisions.
Tender	An offer, or bid, by a tenderer in response to an invitation to tender (ITT) or a mini-tender in a framework agreement.
Third Sector	The third sector includes charities, social enterprises and voluntary groups; delivers essential services, helps to improve people's wellbeing and contributes to economic growth.
Value for Money	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
Vendor Rating System	Internal Argyll and Bute Council methodology for selection of distribution lists for Works Quick Quotes.
Whole Life Costs	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.

## Section 11 – Strategy Ownership & Contact Details

- 11.1 The Argyll and Bute Council Procurement and Contract Management Team are part of the Legal and Regulatory Support Services team which sits within the Customer Services Directorate.
- 11.2 The Procurement and Contract Management Team works with the Council's Services and suppliers to develop contracts and procedures to deliver Best Value.
- 11.3 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.
- 11.4 If you have any queries in relation to this strategy, please contact:
- Anne MacColl-Smith, Manager, Procurement and Contract Management Team
  - [Procurement@argyll-bute.gov.uk](mailto:Procurement@argyll-bute.gov.uk)

# **ARGYLL AND BUTE COUNCIL**



## **SUSTAINABLE PROCUREMENT POLICY**

**2021/22**

## **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.

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. The Policy also supports the delivery of the Council's Decarbonisation Plan.

- 1.3 Argyll and Bute Council is one of the region's major purchasers, with a total procurement spend in 2019/20 of £143.8 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.
- 1.4 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 2021/22. 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/...

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.

2.4 Sustainable Procurement also contributes to the Scottish Government's seven 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:

- Revised Flexible Framework
- The Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014 (including the Sustainable Procurement Duty)
- Zero Waste (Scotland) Regulations 2011
- Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
- Climate Change (Scotland) Act 2009 and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015
- 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:

- Argyll and Bute Outcome Improvement Plan 2013-2023
- Argyll and Bute Council Corporate Plan for 2018-2022
- Argyll and Bute Council Procurement Strategy 2021/22
- Argyll and Bute Council Procurement Manual
- Argyll and Bute Council Community Benefits in Procurement Guide
- 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 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 – ensuring that the Council does not support human trafficking or modern slavery;
  - 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/...

### **3 (e)/contd**

- 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, third sector organisations, 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, third sector agencies and social enterprises, 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 Contract Management 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:**

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