

**ARGYLL AND BUTE COUNCIL**



**ANNUAL PROCUREMENT REPORT  
2018/19**

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## Section 1 – Introduction and Purpose

### 1.1 INTRODUCTION

1.1.1 This report summarises the Council's regulated procurement activity for 2018/19, in line with the Scottish Government's Guidance under the Procurement Reform (Scotland) Act 2014. A regulated procurement is any procurement for public supplies or services with value of over £50,000 and for public works with a value of over £2 million.

1.1.2 This report has been prepared to meet the requirements of the Procurement Reform (Scotland) Act 2014 whereby all Councils who are required to prepare a procurement strategy must also prepare an annual report on the regulated procurements completed during that year.

### 1.2 PROCUREMENT STRATEGY

1.2.1 The period covered by this report is covered by the Council's Procurement Strategy 2018/19.

1.2.2 This Procurement Strategy which was approved on 29<sup>th</sup> November 2018 was prepared in response to the changing procurement agenda and the current financial climate. The strategy set out the procurement aims and goals of the Council for 2018/19. These aims and goals reflect both national and local policies and priorities.

1.2.3 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. The Strategy details the Council's aims for procurement under the key headings of financial, organisational, people and development. These being:

- A value for money procurement service that delivers financial savings;
- Provide a quality service which delivers quality outcomes to the citizens of Argyll and Bute;
- Procure goods, services and works in a lawful and ethical manner which encourages participation, collaboration & sustainable economic growth;
- Continue to improve the Council's procurement performance which will be assessed by Scotland Excel through the Procurement and Commercial Improvement Programme assessment;
- Secure the ongoing commitment of internal stakeholders to implement the strategy;

- Ensure the procurement strategy is aligned with the Council's corporate priorities

#### 1.2.4 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.

### 1.3 EXECUTIVE SUMMARY

<b>£155,298,179</b> Total Spend	<b>£145,764,022</b> Estimated Procurement-related Spend	<b>£136,339,625</b> Contracted Spend
<b>2,627</b> Total Suppliers	<b>113,804</b> Invoices processed	
<b>£55,487</b> Average spend per supplier	<b>1,180</b> SME Suppliers	<b>£84,613,874</b> SME Spend
<p><b>Key:</b>  <b>Total Spend:</b> The total amount of spend for the financial year 2018/19  <b>Estimated Procurement-related Spend:</b> The estimated total amount of spend on transactions that are potentially influenceable by Procurement  <b>Contracted Spend:</b> The total amount of the Estimated Procurement-related Spend that was with Contract Suppliers  <b>Total Suppliers:</b> The total number of unique suppliers for the Estimated Procurement-related Spend  <b>Invoices processed:</b> The total number of Invoices processed  <b>Average Spend per Supplier:</b> The average Procurement-related Spend per unique supplier  <b>SME Suppliers:</b> The total number of known unique SME Suppliers with Procurement-related Spend  <b>SME Spend:</b> The total Procurement-related spend with known SME organisations in 2018/19</p>		

## Section 2 – Summary of Regulated Procurements Completed

- 2.1 A regulated procurement is any procurement for public supplies or services with value of over £50,000 and for public works with a value of over £2 million. For the purposes of this section, a regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.
- 2.2 The number of each type of regulated procurement completed by Argyll and Bute Council, and the process followed for those in 2018/19 is given in the table below:

	Open Procedure (Single Stage)	Restricted Procedure (Dual Stage)	Quick Quote	Framework Call-off/Mini Competition	Light Touch Regime	Non Competitive Action	Total
Supplies	6	-	-	2	-	2	10
Services	24	-	-	2	9	1	36
Works	3	-	-	-	-	-	3
Total	33	-	-	4	9	3	49

- 2.3 These are summarised as follows:

Total estimated value of completed regulated procurements	£27,157,761
Total estimated procurement savings to be delivered from the contracts placed (identified at Contract Award)	£1,625,072
Average number of bids received (for Open/Restricted)	3.1
% of contracts awarded to SMEs during the reporting period	51%
Average processing time for a procurement exercise (from procurement start date to date of award)	22 weeks
Number of collaborative contracts let in cooperation with other organisations	5

- 2.4 Further detail on each of the procurements referred to above are contained within Appendix 1.

## Section 3 – Review of Regulated Procurements Compliance

### 3.1 REVIEW OF COMPLIANCE WITH PROCUREMENT STRATEGY

The Council's regulated procurement activity in 2018/19 contributed to our wider organisational aims and objectives by supporting the Council mission to make Argyll and Bute a place people choose to Live, Learn, Work and Do Business. The Strategy does this by enabling our economy to diversify and thrive, while assisting in the creation of an infrastructure that supports sustainable growth. Our regulated procurements continue to deliver community benefits to local areas which include education skills and training to maximise opportunities for all. Utilising the Light Touch Regime for social care procurements ensures that people in Argyll and Bute have continuity of care and are therefore able to live in safer and stronger communities and live active, healthier and independent lives.

#### a. Improve procurement processes and policies

Priority	Activities	Owner	Timescale	Status	Notes
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	Fully Complied	Procurement spend with contracted suppliers was 93.5% in 2018/19, which exceeded the target of 90%
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	Fully Complied	Of the 49 regulated procurements carried out in 2018/19, 6 (12%) included a requirement for the main contractor to sub-contract; and 4 were carried out within external frameworks. The scope of the remaining contracts was not considered appropriate for mandating sub-contracting.
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	Ongoing	New Procurement Manual, guidance and templates launched September 2018; training provided to Services in 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	Fully Complied	Of the 49 regulated procurements carried out in 2018/19, 31 (63%) included SOCO checks on the preferred tenderer. Of the remainder, 2 were awarded within external frameworks, and 15 were awarded to an incumbent supplier and SOCO checks were not considered to be required under these circumstances. The final contract was initially expected to be unregulated.
Regular reporting of procurement performance and compliance in relation to regulated procurements	SMT Bulletins to cover regulated procurements	PCT	31/03/2019	Ongoing	SMT Bulletins circulated monthly
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	Ongoing	Development of Category Overviews and overall Category Management Approach
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	Consider collaboration with NHS Highland in Commodity Sourcing Strategies for all regulated procurements	PCT	31/03/2019	Fully complied	Of the 33 regulated procurements carried out in 2018/19 which had a Commodity Sourcing Strategy (CSS), 32 (97%) considered collaboration with NHS Highland. The remaining procurement exercise had started prior to the inclusion of this requirement within the template.
	Participate in Scotland Excel and Scottish Procurement frameworks, where relevant	PCT	31/03/2019	Fully complied	The Council currently participates in 87% of Scotland Excel Frameworks, and 85% of Scottish Government Frameworks.

**b. Increase expertise, capacity and effectiveness**

<b>Priority</b>	<b>Activities</b>	<b>Owner</b>	<b>Timescale</b>	<b>Status</b>	<b>Notes</b>
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	Ongoing	Contract management training sessions ongoing with Council and HSCP staff - 17 sessions held with a total of 189 attendees as at 13/06/2019.
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	Not applicable	Decision was taken that PCA template did not meet PCT requirements, therefore it has not been used. Council's annual PRD process identifies training needs within PCT, and targeted procurement training has been offered to services instead.
	Purchasing Officers working towards MCIPS	PCT	31/03/2019	Ongoing	One of the Trainee Purchasing Officers achieved MCIPS in April 2018, and has now moved on to be a Category Management Officer. Two Trainee Purchasing Officers achieved CIPS Level 4 in 2018/19.
	Internal mentoring and secondments	PCT	31/03/2019	Ongoing	Formalised mentoring structure within the team, including a secondment from Contract Monitoring Officer to Trainee Purchasing Officer, and a secondment from

					Purchasing Assistant to Procurement Analyst.
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	Ongoing	Regular meetings are held between PCT and NHS Highland - the PCT Manager has monthly meetings with SLT (Senior Management Team of HSCP). The Contract Plan includes HSCP requirements for 2019/20 and 2020/21. PCT have agreed to support the lead officer in the contract management of 5 Service Level Agreements between HSCP and NHS Greater Glasgow to ascertain if any savings can be delivered.

**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	Status	Notes
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	Consider collaboration with NHS Highland in Commodity Sourcing Strategies for all regulated procurements	PCT	31/03/2019	Fully Complied	Of the 33 regulated procurements carried out in 2018/19 which had a CSS, 32 (97%) considered collaboration with NHS Highland. The remaining procurement exercise had started prior to the inclusion of this requirement within the template.

<p>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>	<p>Sourcing Strategy templates ensure thorough consideration of all opportunities for regulated procurements</p>	PCT	31/03/2019	Fully Complied	<p>Of the 49 regulated procurements carried out in 2018/19, 33 (67%) had a CSS completed and 12 (25%) followed the Council's direct award process. Of the remainder, two were framework mini competitions. Of the final 2 procurements, one was expected to be unregulated and the other formed part of an overall Category approach to the procurements, however did not have a specific stand-alone CSS.</p>
	<p>Contract Plans of future regulated procurements to be included in Annual Procurement Reports</p>	PCT	31/03/2019	Fully Complied	<p>Included in Annual Procurement Report 2017/18, and now included in Annual Procurement Report 2018/19</p>
	<p>All regulated procurements to be published via PCS/PCST to maintain consistency and transparency</p>	PCT	31/03/2019	Fully Complied	<p>Of the 49 regulated procurements carried out in 2018/19, 37 (76%) were published via PCS/PCST. The remainder were direct awards.</p>
	<p>Whole-life costing is included within Commodity Sourcing Strategy templates, to be considered where appropriate for regulated procurements</p>	PCT	31/03/2019	Fully Complied	<p>Of the 33 regulated procurements carried out in 2018/19 which had a CSS, whole life costing was considered within 24 (73%). Of the remainder, 2 were mini competitions within external frameworks. Although the other procurements should have formally considered whole life costing within the CSS, the scope of the contracts was not appropriate for whole life costing.</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.	All regulated procurements to be published via PCS/PCST to maintain consistency and transparency	PCT	31/03/2019	Fully Complied	Of the 49 regulated procurements carried out in 2018/19, 37 (76%) were published via PCS/PCST. The remainder were direct awards.
	PINs and FCOs will be published for all appropriate regulated procurements in 2018/19	PCT	31/03/2019	Fully Complied	Of the 49 regulated procurements carried out in 2018/19 only 5 (10%) had a PIN published. Of the remainder, 4 were mini competitions within external frameworks, and 12 were direct awards. For the remaining 28 (57%) it was not considered appropriate based on the nature of the contracts.
	Specifications within regulated procurements will include references to EU and British standards where appropriate	PCT	31/03/2019	Fully Complied	The Council fully complies with this requirement in all procurement processes, brand names (or equivalent) are only included where the exceptional circumstances requirements are met.
	All Council value thresholds for procurements will be complied with for regulated procurements	PCT	31/03/2019	Fully Complied	Based on an analysis of the regulated procurements spreadsheet no Quick Quotes were used for regulated procurements; and no direct award processes were carried out over the internal value limit for works contracts
Ensuring that, so far as reasonably practicable, the following payments are made no	We will aim to meet the target of 94.5% of invoices paid within 30 days during 2018/19	PCT	31/03/2019	Fully Complied	97.3% of invoices were paid within 30 days during 2018/19

<p>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</p>	<p>All regulated procurements in 2018/19 will include the standard clause in relation to payments</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 49 regulated procurements carried out in 2018/19 45 (92%) included the Council's standard clause in relation to payments to contractors within 30 days; or this requirement was covered by NEC3/SBCC contract conditions. The remaining 4 were mini-competitions within external frameworks.</p>
<p>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.</p>	<p>All regulated procurements in 2018/19 will include a clause regarding the prompt payment of sub-contractors</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 49 regulated procurements carried out in 2018/19, 45 (92%) included a clause regarding the prompt payment of sub-contractors. The remaining 4 were mini-competitions within external frameworks.</p>
<p>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</p>	<p>Carry out external and internal research when developing PS and SPP 2019/20</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Internal and external research was carried out in the development stage for the Procurement Strategy and Sustainable Procurement Policy 2019/20.</p>
<p></p>	<p>Carrying out consultation for PS and SPP 2019/20 as per Section 8</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>A 4 week consultation was carried out in September 2018</p>

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 consultations for individual regulated procurements as relevant and appropriate	PCT	31/03/2019	Fully Complied	Of the 49 regulated procurements carried out in 2018/19, only 7 (14%) included a consultation. Consultations were not considered to be appropriate for the 4 mini competitions or the 12 direct awards. For the remaining 26 procurements, consultations were not considered to be relevant.
	Contract management training sessions for departmental staff who manage regulated contracts to be held in 2018/19	PCT	31/03/2019	Ongoing	Contract management training sessions ongoing with Council and HSCP staff - 17 sessions held with a total of 189 attendees as at 13/06/2019.
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	Fully Complied	Of the 33 regulated procurements carried out in 2018/19 which had a CSS, 32 (97%) included consideration of Fair Work Practices. The remaining procurement exercise had started prior to the inclusion of this requirement within the template. A contract condition relating to Fair Work Practices was included within 8 regulated procurements carried out in 2018/19; these are the only ones it was considered to be relevant to.

<p>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.</p>	<p>We will publish PINs/FCOs on PCS for all appropriate regulated procurements in 2018/19</p>	PCT	31/03/2019	Fully Complied	<p>Of the 49 regulated procurements carried out in 2018/19 only 5 (10%) had a PIN published. Of the remainder, 4 were mini competitions within external frameworks, and 12 were direct awards. For the remaining 28 (57%) it was not considered appropriate based on the nature of the contracts.</p>
	<p>We will consider lotting all regulated contracts in 2018/19 within their initial Commodity Sourcing Strategies</p>	PCT	31/03/2019	Fully Complied	<p>Of the 33 regulated procurements carried out in 2018/19 which had a CSS, 27 (82%) included consideration of lotting the contract requirements. Of the remainder, 2 were mini-competitions within external framework. Although the other 4 procurements should have formally considered lotting within the CSS, the supply market for these contracts, and the scope of the contracts, was not appropriate for lotting.</p>
	<p>We will offer alternative language formats when requested</p>	PCT	31/03/2019	Not applicable	<p>No requests for alternative language format ITTs were received in 2018/19</p>

<p>Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the use of community benefit requirements.</p>	<p>Community Benefits Clauses will be included in regulated procurements as outlined in the Sustainable Procurement Policy 2018/19</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 45 regulated procurements carried out in 2018/19 which were not within an external framework, 35 (78%) included Community Benefits Clauses. Of the remaining 10 procurements, 7 were below the internal £100k threshold for the mandatory inclusion of a CBC within Supplies and Services contracts; and the final 3 were not considered appropriate for the inclusion of a CBC due to the scope of the contracts.</p>
<p>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.</p>	<p>Health and Safety considerations will be included at all stages of regulated procurement processes in 2018/19</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Health and Safety considerations were included within all 33 regulated procurements that had CSSs in 2018/19. Health and Safety questions were included within 38 (78%) of the 49 regulated procurement exercises carried out in 2018/19. An analysis of the remaining tenders that were not mini-competitions within external frameworks demonstrates that the inclusion of Health and Safety questions was not considered relevant for the contract scopes.</p>
	<p>All regulated works procurements in 2018/19 will include reference to the current CDM regulations</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 3 regulated works procurements in 2018/19, all made reference to the current CDM regulations.</p>
<p>Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the procurement of fairly and ethically traded goods and services.</p>	<p>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</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 5 Regulated Supplies procurements carried out in 2018/19 which had CSSs all 5 included consideration of the use of specific social or environmental labels within the specification</p>

<p>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.</p>	<p>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'</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Not applicable</p>	<p>No regulated Catering contracts were tendered in 2018/19</p>
<p>Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements including, where appropriate and proportionate: 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.</p>	<p>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.</p>	<p>PCT</p>	<p>31/03/2019</p>	<p>Fully Complied</p>	<p>Of the 49 regulated procurements carried out in 2018/19, only 7 (14%) included a consultation. Consultations were not considered to be appropriate for the 4 mini competitions or the 12 direct awards. For the remaining 26 procurements, consultations were not considered to be relevant.</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.	Consideration of Sustainability issues will be embedded throughout the procurement process for regulated procurements in 2018/19	PCT	31/03/2019	Fully Complied	Of the 34 regulated procurements in 2018/19 which had CSSs, all considered Sustainability issues.
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#### d. Support the Council's transformational changes

Priority	Activities	Owner	Timescale	Status	Notes
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.	To provide support to Services as required.	AMS	31/03/2019	Ongoing	Support is provided to Services as required

### 3.2 PLAN TO IMPROVE FUTURE COMPLIANCE

In order to ensure the future compliance of regulated procurements with the Council's Procurement Strategy priorities, it is intended to raise the following Key Priority items at a Procurement Team meeting to increase awareness of the areas for improvement. Standard information on procurements will continue to be reported on a monthly basis via the Procurement Bulletin to the Senior Management Team. In addition, any lessons learned or good practice will continue to be shared at the Procurement Team's monthly meeting and if any are of strategic importance, these will be reported to the Procurement Board highlighting any shortfalls and detailing action plan to improve these for the future.

Key Priorities	Improvements in Compliance planned for 2019/20
<b>a. Improve procurement processes and policies</b>	<ul style="list-style-type: none"> <li>• Ensuring SOCO checks are carried out as standard on all Preferred Tenderers for Regulated Procurements – CARR templates will be updated to include this requirement;</li> <li>• Improve coverage of Category Strategies relating to regulated procurements, as well as stand-alone Commodity Sourcing Strategies or Authorisation to Procure documents where a direct award is appropriate; through refresher training for the procurement team;</li> <li>• Within Commodity Sourcing Strategies, through refresher training ensuring that procurement staff appropriately complete all sections – senior officers in the team will check these documents prior to approval to make sure that the templates are being used to their full potential;</li> <li>• The recently introduced new approach to contract and demand management is to be further embedded across the Council during 2019/20;</li> <li>• Training for contract management skills within standard external contracts i.e. SBCC, NEC3 is to be provided to both procurement and service staff in 2019;</li> <li>• Increase number of PINs published for Regulated Procurements in 2019/20 within contracts that would benefit from an increased awareness within the supply market – through refresher training for the procurement team, even where short timescales are involved.</li> </ul>
<b>b. Increase expertise, capacity and effectiveness</b>	<ul style="list-style-type: none"> <li>• The recently introduced new approach to contract and demand management is to be further embedded across the Council during 2019/20;</li> <li>• Carry out refresher training for PCT, to cover all required areas of improvement;</li> <li>• New staff members introduced to the team in 2019 will be trained in contract and demand management, low-value, low-risk procurement activity and sustainable procurement.</li> </ul>
<b>c. Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts</b>	<ul style="list-style-type: none"> <li>• Increase number of PINs published for Regulated Procurements in 2019/20 within contracts that would benefit from an increased awareness within the supply market – through refresher training for the procurement team, even where short timescales are involved;</li> <li>• Increase staff awareness of sustainability requirements via refresher training</li> </ul>

**(Scotland) Regulations 2015  
and the Procurement  
Reform (Scotland) Act 2014  
and associated mandatory  
guidance**

## Section 4 – Community Benefits Summary

### 4.1 REGULATED PROCUREMENTS\* AWARDED IN 2018/19 CONTAINING COMMUNITY BENEFITS CLAUSES:

Use of Community Benefit Requirements in Regulated Procurements*	Q1	Q2	Q3	Q4	2018/19 Total
Total Number of Contracts Awarded	12	6	5	3	26
Total Number of Contracts Awarded Over £4m	1	2	0	1	4
Total Number of Contracts Awarded with Community Benefit Requirements	5	5	3	3	16
Total Number of Contracts Awarded over £4m with Community Benefit Requirements	1	2	0	1	4

\* Argyll and Bute Council has internal thresholds for consideration of inclusion of Community Benefits Clauses in contracts of £500k for Works contracts and £100k for Supplies and Services contracts; the inclusion of Community Benefits Clauses is not internally mandated below these values.

### 4.2 REGULATED PROCUREMENTS COMPLETED IN 2018/19 WHICH ACHIEVED COMMUNITY BENEFITS

Four Regulated Procurements containing Community Benefits Clauses completed in 2018/19.

The Contract for the Provision of School and Local Transport Services in Oban and Lorn with West Coast Motors included a Voluntary Community Benefits Clause and achieved the following outcomes in the Oban and Lorn area:

- The apprenticeship programme had a new start in the Oban depot;
- An HR graduate was recruited to support all areas of the business;
- A number of new entrants to the industry were trained by way of PCV driver licence training; who were both out of work and retraining from another occupation;
- Financial support was provided to a number of local charities and events that included Oban Live, West Highland Yachting Week, and individual fund raisers running 10ks etc.

The CHORD - Dunoon Queens Hall refurbishment contract with McLaughlin & Harvey included the Client-Based Approach to Community Benefits (Retail, Leisure, Sports and Entertainment – Band 3), as well as an additional clause in relation to work experience placements with the local secondary school and achieved the following outcomes:

Employment and Skills Areas	Target	Completed
1 Work Placement (16-19) - persons	4	2
2 Work Placement (14-16) - persons	1	0 (CSCS)
3 Curriculum Support Activities – individual engagement	3	3
4 Graduates - persons	0	1
5 Apprentice Starts - persons	3	3
6 Existing apprentices - persons	1	1
7 Apprentice completion - persons	1	1

8	Job advertised through local employment vehicles - number	1	2
9	N/SVQ start for subcontractors - persons	2	2
10	N/SVQ completion for subcontractors - persons	2	2
11	Training plans for subcontractors - number	3	3
12	Supervisor training for subcontractors - persons	3	3
13	Leadership and management training for subcontractors - persons	2	2
14	Advanced health and safety training for subcontractors - persons	3	>5

- A local groundwork contractor was appointed (circa £1.2m value);
- A local joinery company was appointed to complete renovation works in the offices at 23 Argyll Street (circa £3,500 value);
- The demolition sub-contractor provided jobs for four local residents of Dunoon, and sent one of their employees on a site supervisor course;
- The main contractor provided banksman training for 5 employees of the demolition sub-contractor;
- The M&E sub-contractor had one local apprentice working on the site; and provided employment for two local residents that worked as labourers on the project;
- Visits to Castle Tennis Club and Dunoon Men's Shed group took place;
- The main contractor donated materials for shelving/storage to Dunoon Youth Football Club and outdoor bowling equipment to St Muns Primary School. A donation was given to a local organisation to install flower beds in a planter located adjacent to the pier in advance of the Cowal Games. They also arranged with Dunoon Grammar School to deliver a significant quantity of reclaimed timber to them. This provided high quality Canadian maple that the school and its' pupils can use on upcoming projects.

Two regulated contracts that completed within this time period and contained a Community Benefits Clause did not achieve any benefits that the Council are aware of; one of these was due to the short contract period involved, and the other was due to the lack of uptake by the Council in a workshop initiative offered by the Contractor.

#### **4.3 OTHER COMMUNITY BENEFITS ACHIEVEMENTS IN 2018/19**

Overall, 20 procurements awarded in 2018/19 included CBCs as a contract requirement - 16 of these were above regulated thresholds and 4 were below regulated thresholds.

5 out of the 10 contracts which completed in 2018/19 achieved Community Benefits; two of these were above regulated thresholds.

In addition, the following community benefits were achieved within Council care contracts:

- Care Homes:
  - Links with private nurseries on a monthly basis (usually themed events, so at Halloween they had a fancy dress party), rolling programmes with local scouts and brownies, enrolled in mentorship and work experience programmes, regular links with Alzheimer's resource centre in Helensburgh, local primary school

choirs attend at Christmas time, completed a time capsule in partnership with local primary school, training provided to local carers centre free of charge, summer fete arranged for community to attend- raised over £800 for residents fund, pet therapy, Residents trip 'Doon the Clyde' on the Waverley, pen pal scheme, 10 week block of Italian lessons on food, culture and music.

- Care at Home:
  - Cycle to work scheme, War veterans heroes drop in service in Cowal, neighbours or service users on same street have 'fish tea' together on a regular basis to tackle loneliness, assisted service user to visit favourite football club in Glasgow as he had wanted to go back for years, Therapet project aimed at loneliness and social isolation

## Section 5 – Supported Businesses Summary

- 5.1 The following steps were taken to facilitate the involvement of supported businesses in Regulated Procurements in 2018/19:
- 5.1.1 Involvement of supported businesses is considered at the Commodity Sourcing Strategy development stage. As Commodity Sourcing Strategies are mandatory for all regulated procurements within Argyll and Bute Council, the involvement of supported businesses is therefore considered in all regulated procurements.
  - 5.1.2 No discussions were held specifically with supported businesses in the market analysis phase of commodity strategy development.
  - 5.1.3 Argyll and Bute Council had spend with 3 supported business suppliers in 2018/19.
  - 5.1.4 The Council has amended the following templates to support the involvement of supported businesses in Regulated Procurements: Commodity Sourcing Strategy Templates and Invitation to Tender Templates.
- 5.2 Total spend with supported businesses in 2018/19 was identified using the Ready for Business Supported Business Register on the Partnership for Procurement website.
- 5.3 No regulated or unregulated contracts were awarded to supported businesses in 2018/19.
- 5.4 Other spend with supported businesses in 2018/19 was as follows:
- 5.4.1 Spend within the reporting year on contracts already placed:
    - Fyne Futures Ltd - £145,723.79
    - Hansel - £55,740.95
  - 5.4.2 Spend through sub-contracting arrangements on contracts already placed:
    - No information has been provided by main contractors in relation to sub-contracts placed with supported businesses in 2018/19.
    - Scotland Excel Domestic Furniture and Furnishings Framework: Lot 1: Spend with First Furnishings - £16,298. As this supplier committed to 1.25% of the spend with them via the framework being spent with Supported Businesses, this will equate to a spend of £203 with Supported Businesses once this contractual commitment is actioned by the supplier.
  - 5.4.3 Ad-hoc, non-contracted spend:
    - Crisis - £35
- 5.5 Contracted spend with a potential supported business:
- Kintyre Recycling Ltd - £210,561

## Section 6 – Future Regulated Procurements

The Council expects to commence 45 regulated procurements over the next two financial years however these are subject to change. Details of these contract requirements are shown in the table below.

The Council will be reviewing dynamic purchasing systems to determine if these are appropriate in any future regulated procurement exercises.

### Regulated procurements expected to commence in 2019/20 and 2020/21

Contract Title	New/ Re-let	Expected Contract Notice Publication Date	Expected Award Date	Expected Start Date	Estimated Value
Benefits Appeals Processing	New	Jul 2019	Aug 2019	Sep 2019	£50,000
Provision of School and Local Transport Services in Oban and Lorn - 1348	Re-let	Jul 2019	Sep 2019	Oct 2019	£135,000
Safety Barrier	New	Aug 2019	TBC – 2019/20	Sep 2019	Unknown
Provision of Serviced Accommodation for Homeless Households - Dunoon and Helensburgh	Re-let	Sep 2019	Nov 2019	Mar 2020	£900,000
Snow - Licence Management Software Maintenance Renewal	Re-let	Nov 2019	Jan 2020	Mar 2020	£54,000
Uncoated Roadstone	Re-let	Feb 2020	Apr 2020	Apr 2020	£100,000
Hire of Gritters	Re-let	Feb 2020	May 2020	Oct 2021	£1,000,000
Campbeltown Coastal Protection Works	New	Mar 2020	Jun 2020	2021	£5,000,000
Develop and deliver a local, focussed, active travel advertising and promotion programme to highlight active travel modes and local opportunities to travel actively	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£50,000
Comingled Waste Sorting	Re-let	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£88,000 p/a
Rothsay Harbour - Grouting	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£2,500,000
Campbeltown Marine Works	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	Unknown
Supply and Distribution of Fresh Bread and Rolls	Re-let	TBC – 2019/20	TBC – 2019/20	Sep 2019	£80,000
Dunoon CARS Workshop Projects	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£50,000
Helensburgh Waterfront Development - Clerk of Works	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	Unknown
Capital Building Works Projects Framework	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	Unknown
Specialist Consultancy Support for Renewable Sourcing Strategy (RSS2)	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£50,000
Legionella Water Quality Management Services	New	TBC – 2019/20	Q4 2019/20	Q4 2019/20	£500,000
Asbestos Services Specialist	New	TBC – 2019/20	Q3 2019/20	Q3 2019/20	£50,000

Water Quality/ Legionella Specialist	New	TBC – 2019/20	Q3 2019/20	Q3 2019/20	£50,000
Lochgilphead CARS Design Team	New	TBC – 2019/20	Aug 2019	Sep 2019	£125,000
Oasis Transport Service	Re-let	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£160,000
Equipment Repairs and Maintenance (Care)	New	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	Unknown
Tenancy Support Services	Re-let	TBC – 2019/20	TBC – 2019/20	TBC – 2019/20	£1,849,500
Supply and Delivery of Fresh Eggs, Cheese and Meat	Re-let	TBC – 2019/20	TBC – 2019/20	May 2020	£80,000
Oban Strategic Development Framework - external services/consultancy/support	New	TBC - 2019/20	Sep-19	Sep-19	£50,000
PC Replacement Programme (PCs and Laptops)	Re-let	TBC - 2019/20	TBC - 2019/20	TBC - 2019/20	£210,000
Provision of School and Local Transport Services on Islay	Re-let	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£1,932,400
Operation of Biomass Heating Systems and Supply of Fuel	New	TBC – 2020/21	TBC – 2020/21	23/11/2021	Unknown
Calibration of Aerodrome Equipment	New	TBC – 2020/21	TBC – 2020/21	Oct 2021	Unknown
Bus Shelters Cleaning	New	TBC – 2020/21	TBC – 2020/21	Sep 2020	Unknown
CCTV Maintain & Repair	New	TBC – 2020/21	TBC – 2020/21	Jul 2020	Unknown
Bathymetric Surveys	Re-let	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£145,700
Water Quality/Legionella Risk Assessments	New	TBC – 2020/21	Q4 2020/21	Q4 2020/21	£100,000
Water/Waste Water Surveying Services	New	TBC – 2020/21	Q4 2020/21	Q4 2020/21	£150,000
EPC Provision	New	TBC – 2020/21	Q4 2020/21	Q4 2020/21	£200,000
Provision of Care at Home and Supported Living Services	Re-let	TBC – 2020/21	Q3 2020/21	Q3 2020/21	£70,000,000
Campbeltown Old Quay - Wall A - G.I./ Design/ Contract Documentation	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£250,000
Carradale Harbour - Design	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£50,000
Craighouse Pier - Design Work	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£50,000
Easdale Low Water Landing - Design	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£50,000
Fionnphort Ferry Slip - Construction of breakwater/ aligning structure/ concrete repairs to slip	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£2,500,000
Flood Management Consultancies (Various)	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	Unknown
Framework Agreement with Conservation Accredited Architect	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	£1,500,000
Oban Strategic Development Framework - external services/consultancy/support	New	TBC – 2020/21	TBC – 2020/21	TBC – 2020/21	Unknown

## Section 7 – Other Content for Consideration

### 7.1 PROCUREMENT PERFORMANCE 2018/19

7.1.1 The Procurement, Commissioning and Creditors Team performance is measured through various National Procurement Best Practice Indicators (BPIs) applied across the public sector and internal performance measures reflecting the values of Argyll and Bute Council.

7.1.2 The table below shows performance against some of the key measures:

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 (%)
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	N/A	90	38	80	29	80	96.46
18/19	79 (see 7.1.3)	92.3 (see 7.1.4)	28 (see 7.1.5)	84 (see 7.1.5)	26 (see 7.1.6)	63.3 (see 7.1.6)	97.12 (see 7.1.7)
19/20 Target	N/A	90	-	75	20	-	95.5

#### 7.1.3 Procurement and Commercial Improvement Programme (PCIP) Assessment

The Procurement and Commercial Improvement Programme (PCIP) Assessment is a national assessment of the Council's procurement practices, 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 Council's PCIP score in November 2018 was 79%, which places Argyll and Bute Council in the top banding (F1) with regards to procurement performance according to the Scottish Government bandings, depicted in the table below.

## Full Assessment Performance Bandings

Current Performance Band	% Score
F1	>70%
F2	66<>69%
F3	61<>65%
F4	56<>60%
F5	51<>55%
F6	46<>50%
F7	41<>45%
F8	36<>40%
F9	31<>35%
F10	26<>30%
F11	20<>25%
F12/Non-Conformance	<19%

This was an increase of 9% from the score of 70% achieved in 2017. The PCIP identified a number of areas where Argyll and Bute Council is performing strongly, these are:

- Procurement Representation, Influence and Strategy
- Learning and Skills
- Internal Control Systems
- Fraud Awareness and Prevention

The PCIP identified a small number of areas where although improvements have been made, there is still scope for further improvement, these are:

- Implementation and Exit Strategies
- Contract and Demand Management

These areas for improvement have formed part of the PCT's action plan as detailed in the Procurement Strategy actions and are being implemented throughout the period of the Strategy with regular reporting on implementation being made to the Procurement Board and Senior Management Team.

### 7.1.4 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.

### 7.1.5 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 and alongside this the Procurement function is continually reviewing its processes to ensure that local SMEs are not at a disadvantage when bidding for contracts.

In 2018/19 the sub-contracting opportunities for local contractors were captured to highlight the economic impact within the Council area. As at

January 2019, 27 local sub-contractors were used within 6 contracts, 5 of which were also awarded to local main contractors.

**7.1.6 Local suppliers bidding for business (% of all bids received) and tenders won by a local supplier where a local supplier has placed a bid (% contracts won of those bid for)**

The Council monitor the type of contracts that local suppliers are bidding for and which contracts are subsequently awarded to them. The team continues to provide accessible training and access to tender opportunities to local suppliers.

**7.1.7 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 target.

**7.2 REVIEW OF COMPLIANCE WITH SUSTAINABLE PROCUREMENT POLICY**

The Sustainable Procurement Policy was complied with for the majority of elements, aside from the areas outlined in section 7.3 below. 20 areas were complied with in full and 2 were partially complied with. Full details are available in Appendix 2.

**7.3 DELIVERY PLAN FOR SUSTAINABLE PROCUREMENT POLICY**

Priorities	Delivery Plan for 2019/20
<b>People</b>	<ul style="list-style-type: none"> <li>• Refresher Sustainability training for Procurement and Commissioning staff will be arranged for 2019/20 once new roles within the team have been filled</li> </ul>
<b>Objectives, Strategy &amp; Communications</b>	<ul style="list-style-type: none"> <li>• Sustainable Procurement Policy to be revised for March 2020;</li> <li>• Communications Plans will be created as required for future consultations relating to updates of the SPP</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>• Continue in line with current processes</li> </ul>
<b>Engaging Stakeholders</b>	<ul style="list-style-type: none"> <li>• Business Gateway/Supplier Development Programme Events will be planned for 2019/20;</li> <li>• Include sustainability in specific tender supplier events</li> </ul>
<b>Monitoring &amp; Reporting</b>	<ul style="list-style-type: none"> <li>• Annual consultation regarding any revisions to the PS and SPP</li> <li>• Progress against the objectives in the SPP and the Flexible Framework will be reported within this Annual Procurement Report</li> </ul>

**7.4 FLEXIBLE FRAMEWORK**

Level 2 of the Flexible Framework is currently being progressed.

**7.5 CONSULTATION OUTCOMES AND ACTIONS**

Please see the full Procurement Strategy 2019/20 & Sustainable Procurement Policy 2019/20 Stakeholder Consultation Report on the Council's website at <https://www.argyll-bute.gov.uk/business-and-trade/procurement-useful-links->

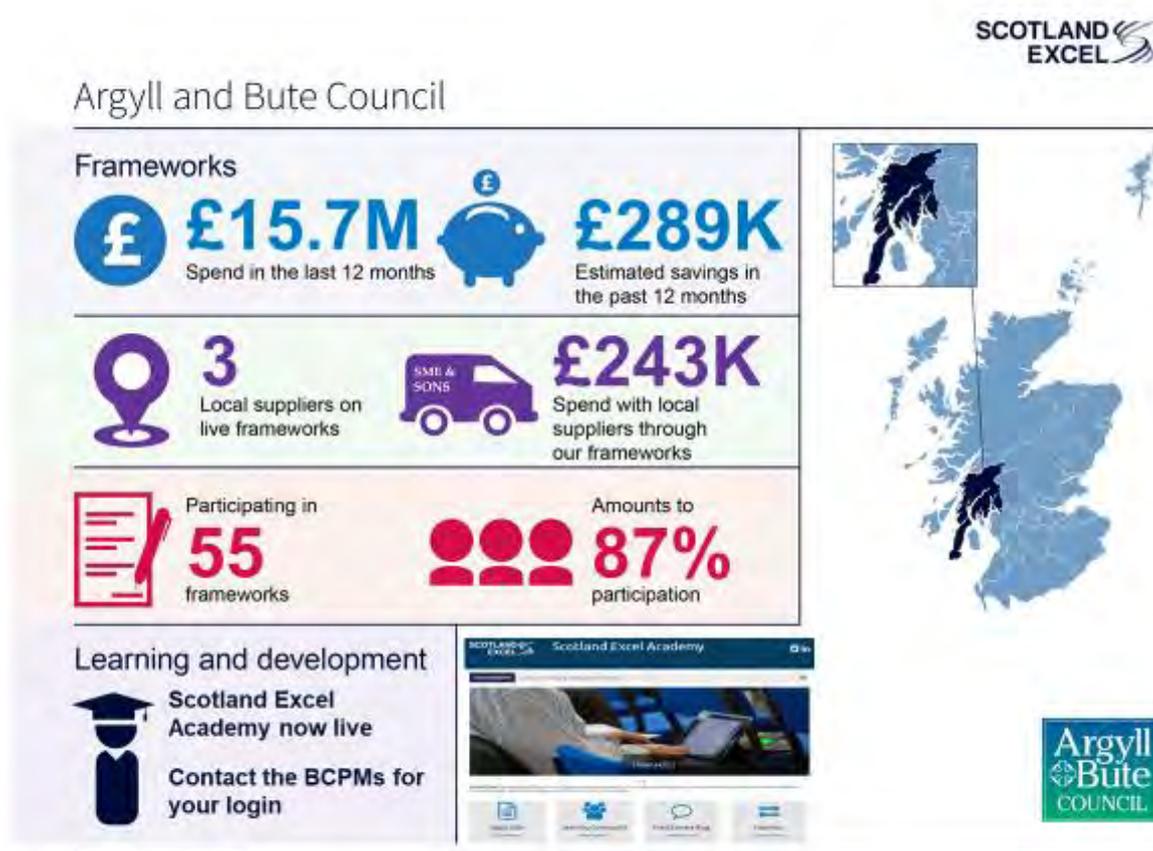
[and-documents](#). This document outlines the outcomes of the consultation undertaken in September 2018, and the actions taken.

## 7.6 COLLABORATIVE WORKING

The Council continues to maximise its use of collaborative contracts to deliver efficiencies in revenue and processes and currently accesses. Of the 63 current frameworks available to use from Scotland Excel, the Council adopts and uses 55 with the Council having alternative arrangements in place, or no requirements, for the remaining frameworks.

The Council will also be continuing to work with Scotland Excel, NHS Highland and its local authority partners in supporting commercialism and innovation within Argyll and Bute.

As at April 2019, the Council's participation in collaborative frameworks with Scotland Excel was as follows:



\*Framework information at Q3 2018 - 19

Regulated Mini-Competitions and Call-Offs from External Frameworks:

Framework Owner	Framework Title	Contract	Supplier	Estimated Value
Scotland Excel	Engineering and Technical Consultancy	STAG Appraisal - Graignure	Mott MacDonald Ltd	£65,000
		Bridge Assessment Package 2019	Fairhurst	£73,263

<b>Framework Owner</b>	<b>Framework Title</b>	<b>Contract</b>	<b>Supplier</b>	<b>Estimated Value</b>
	Vehicle and Plant Hire	Hire of Winter Gritters	Gullivers Truck Hire Ltd	£107,171
Crown Commercial Services	Technology Products 2 (RM3733)	Kilmory Data Server Refresh	Insight Direct (UK) Ltd	£466,187

The second generation of the General Maintenance Term Contracts were developed with input from NHS Highland to allow them to access these contracts once awarded.

## **7.7 PROCUREMENT COMPLAINTS RECEIVED IN 2018/19**

The Procurement and Commissioning Team did not receive any formal challenges in 2018/19.

## Section 8 – Annual Procurement Report Ownership & Contact Details

- 8.1 The Argyll and Bute Council Procurement and Commissioning Team are part of the Legal and Regulatory Services team which sits within the Customer Services Directorate.
- 8.2 The Procurement and Commissioning Team works with the Council's services and suppliers to develop contracts and procedures to deliver Best Value.
- 8.3 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.
- 8.4 If you have any queries in relation to this report, please contact:
  - Anne MacColl-Smith, Procurement and Commissioning Manager
  - [Procurement@argyll-bute.gov.uk](mailto:Procurement@argyll-bute.gov.uk)

## Section 9 – Sources of Other Information

### National Policies:

- Workforce Matters (SPPN 1/2015) – <http://www.gov.scot/Resource/0046/00469535.pdf>
- Scottish Sustainable Procurement Duty – <https://www.gov.scot/policies/public-sector-procurement/sustainable-procurement-duty/>
- Suppliers Procurement Guidance – <https://www.gov.scot/policies/public-sector-procurement/guidance-suppliers/>
- EU Procurement Thresholds – <https://www.gov.scot/publications/eu-procurement-thresholds/>
- 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 – <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>
- [Information Hub](#)

### Local Policies:

- Procurement Strategy 2019/20 and Sustainable Procurement Policy 2019/20 – <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
<b>Category</b>	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.
<b>CIPS</b>	The Chartered Institute of Purchasing and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management.
<b>Collaboration</b>	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
<b>Commodity Sourcing Strategy</b>	Please see the Procurement Journey for guidance on commodity strategies.
<b>Contract Management</b>	The process of monitoring the performance of a supplier to contract.
<b>Demand Management</b>	To take costs out of an organisation by addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption. Demand management examples: Cheaper item but using more of them/cheaper daily rate but more days or 5 days of consultancy ordered and 8 days invoiced. Or challenging requirements that specify brand or other over-specification.
<b>Framework Agreement</b>	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.
<b>Light Touch Regime</b>	The Light Touch Regime (LTR) outlines specific rules for certain service contracts that are generally of lower interest to cross-border competition.
<b>Non Competitive Action</b>	Internal Argyll and Bute Council process for the exceptional circumstances where it may be appropriate to award contracts for goods, works and services without genuine and effective competition on a direct award basis.
<b>OJEU</b>	Official Journal of the European Union.
<b>Open Procedure</b>	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
<b>Prior Information Notice (PIN)</b>	Public bodies can make their intention of planned procurements known by publishing a Prior Information Notice (PIN) on Public Contracts Scotland. Public bodies which are not part of central government are allowed to use a PIN as a call for competition replacing the need for an additional contract notice.
<b>Procurement and Commercial Improvement Programme (PCIP)</b>	The Procurement and Commercial Improvement Programme (PCIP) is an assessment undergone by public bodies focusing on the policies and procedures driving procurement and the results that they deliver.
<b>Procurement Exercise</b>	Full end to end procurement exercise documentation from strategy development to contract & supplier management.
<b>Procurement function</b>	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.

<b>Procurement Journey</b>	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.
<b>Procurement strategy</b>	Strategy for procurement within an organisation (can be called policy).
<b>Public Contracts Scotland</b>	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
<b>Restricted Procedure</b>	A two-stage procedure whereby suppliers are required to complete a Pre-Qualification Questionnaire (PQQ) and must satisfy certain selection criteria (the first stage). This process enables the organisation to limit the number of suppliers which are invited to tender (the second stage).
<b>Senior Management Team</b>	The direct report for the Head of Procurement (whether this be a stand-alone Director or one who sits on a SMT).
<b>Small Medium Enterprise (SME)</b>	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.
<b>Stakeholder</b>	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.
<b>Strategy</b>	May also be referred to as "Business Case" or "Project Strategy".
<b>Supplier</b>	An entity who supplies goods or services; often used synonymously with "vendor".
<b>Supply Chain</b>	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
<b>Supply Chain Management</b>	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
<b>Supported Business</b>	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
<b>Value for Money</b>	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.
<b>Whole Life Costing</b>	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 – Appendices

Appendix 1: Regulated Procurements Completed 2018/19

Appendix 2: Compliance with Sustainable Procurement Policy

Appendix 3: Annual Procurement Report Annex

## APPENDIX 1

### Regulated Procurements Completed 2018/19

Title	Date of Award	Supplier(s)	Estimated Value	Procurement Threshold Applied	Start Date	End Date	Possible Extension Duration (months)	Procedure
Award of Local flood risk management plan consultancy	27/04/2018	EnviroCentre, JBA Consulting, AECOM.	£320,140	OJEU - Services	11/04/2018	31/12/2019	24	Open
Award of Tender for Book Shelving, Furniture and Fittings for Dunoon Library, Queen's Hall	30/04/2018	The Design Concept	£50,358	Regulated – Supplies	30/04/2018	30/07/2018	0	Single Stage
Award of Supply & application of surface dressing	11/05/2018	Kiely Bros	£2,994,273	Regulated - Works	11/05/2018	11/08/2018	0	Single Stage
Award of STAG Appraisal - Craignure	19/04/2018	Mott McDonald Ltd	£65,000	Regulated – Services	19/04/2018	31/10/2018	0	Mini-Comp
Award of Theatre Systems FF&E for the Queens Hall, Dunoon	14/06/2018	Adlib Audio Ltd	£124,351	Regulated – Supplies	13/06/2018	13/07/2018	0	Single Stage
Award of General Maintenance Term Contract - West Argyll	12/06/2018	McKinven & Colville Ltd, McEachern Bros	£4,160,000	OJEU - Works	23/02/2018	23/02/2021	12	Open
Award of Provision of School Transport Services on Colonsay 1401M	30/07/2018	J Johnstone	£88,854	Regulated – Services	12/08/2018	12/08/2023	24	Single Stage
Award of Provision of School Transport Services in Lorn 1340E	17/07/2018	Jackie Kersley	£80,551	Regulated – Services	14/10/2018	14/10/2023	24	Single Stage
Award of Provision of School and Local Transport in Mid Argyll	12/07/2018	Craig of Campbeltown t/a West Coast Motors	£3,252,269	OJEU - Services	15/07/2018	15/07/2023	24	Open

Award of Uncoated roadstone	09/08/2018	Breedon Northern, Barrachander Quarry Ltd, McFadyens Contractors (Campbeltown) Ltd, George Mcnaughton and Son (Plant Hire) Ltd, John McLachlan (Quarries) Ltd, macleod Construction Ltd, Cowal Sand and Gravel, William Thompson & Son Ltd.	£100,000	Regulated – Supplies	16/07/2018	16/07/2019	0	Single Stage
Award of Coated roadstone	06/08/2018	Hillhouse Quarry Group Ltd, Breedon Aggregates, Tillicoultry Quarries, Aggregate Industries,	£4,558,101	OJEU - Supplies	13/07/2018	13/07/2019	36	Open
Contract for SWES, Brokerage and Appropriate Adult Service	22/05/2018	Carr Gomm	£173,795	Light Touch Regime	01/06/2018	31/03/2019	12	JNCA - LTR
Oasis Day Service for adults affected by dementia	28/09/2018	Church of Scotland T/A Crossreach	£53,535	Light Touch Regime	01/10/2018	31/03/2019	6	JNCA - LTR
Award of General Maintenance Term Contract - North Argyll	04/09/2018	Oban ElectricalServices Ltd	£2,500,000	Regulated - Works	05/10/2018	05/10/2021	12	Single Stage

Award of Provision of Children's Soft Play Equipment for the Refurbished Queen's Hall	27/06/2018	The Soft Brick Company	£72,690	Regulated – Supplies	28/06/2018	28/06/2021	0	Single Stage
Award of Provision of School Transport Services in Lorn 1349H	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£75,704	Regulated - Services	14/10/2018	14/10/2023	24	Single Stage
Award of Provision of School and Local Transport in Lorn - 1326S	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£201,674	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School and Local Transport in Lorn - 1325S	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£380,943	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School Transport Services in Lorn 1320M	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£157,949	Regulated - Services	14/10/2018	14/10/2023	24	Single Stage
Award of Provision of School and Local Transport in Lorn - 1311N	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£843,352	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School and Local Transport in Lorn - 1310R	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£507,499	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School and Local Transport in Lorn - 1308P	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£1,068,013	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School and Local Transport in Lorn - 1307M	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£658,247	OJEU - Services	14/10/2018	14/10/2023	24	Open

Award of Provision of School and Local Transport in Lorn - 1304M	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£559,502	OJEU - Services	14/10/2018	14/10/2023	24	Open
Award of Provision of School and Local Transport in Lorn - 1303M	25/09/2018	Craig of Campbeltown t/a West Coast Motors	£314,937	OJEU - Services	13/10/2018	13/10/2023	24	Open
Award of Provision of School Transport Services in Lorn 1314E	25/09/2018	David Wishart	£96,000	Regulated - Services	14/10/2018	14/10/2023	24	Single Stage
Award of Ferry Ticketing Management Solution	17/10/2018	Information Technology Providers Ltd t/a Eirpoint	£71,362	Regulated - Services	16/10/2018	16/10/2021	12	Single Stage
Award of Winter Gritters Hire Contract (NCA)	25/01/2019	Go Plant	£71,573	Regulated - Supplies	21/12/2018	01/05/2019	0	NCA
Award of Winter Gritters Hire Contract (NCA)	22/01/2019	Mellex	£123,025	Regulated - Supplies	21/12/2019	01/05/2019	0	NCA
Award of Hire of winter gritters	02/10/2018	Gullivers Truck Hire Ltd	£107,171	OJEU - Supplies	02/10/2018	01/05/2019	0	Mini-Comp
Award of Options Appraisal for a seawater intake and outlet pipe(s) and pumping system for Machri...	05/11/2018	Royal Haskoning DHV	£64,800	Regulated - Services	22/11/2018	22/01/2019	0	Single Stage
Award of Lochgilphead (LA10/11) Regeneration Projects- Landscape/Public Realm Design Consultant	08/11/2018	Erz. Ltd.	£125,949	Regulated - Services	19/12/2018	31/12/2020	0	Single Stage
Award of Provision of a Seaweed Farming Feasibility Study	15/10/2018	SAMS Research Services Ltd	£111,870	Regulated - Services	15/10/2018	15/10/2019	0	Single Stage
Award of Banking and Merchant Acquirer Service - Lot 1	26/04/2018	Clydesdale Bank	£403,500	OJEU - Services	26/04/2018	26/04/2022	36	Open
Award of Provision of School and Local Transport in Lorn - 1430L	15/10/2018	Craig of Campbeltown t/a West Coast Motors	£395,014	OJEU - Services	06/01/2019	06/11/2023	24	Open

Award of Comingled Waste Disposal	01/11/2018	Enva	£88,000	Regulated - Services	01/11/2018	01/11/2019	0	NCA
Award of Waste Uplift from Mull and Tiree	16/01/2019	MacKinnon Haulage	£98,000	OJEU - Services	15/01/2019	15/01/2020	12	Open
Award of CHArts - Marketing and Design Bespoke Tourism Packages	08/01/2019	Business & Tourism Solutions Ltd	£54,279	Regulated - Services	07/12/2018	07/10/2019	0	Single Stage
Day Service for Adults with Learning Disabilities in Helensburgh	28/09/2018	Enable Scotland (Leading the Way)	£323,420	Light Touch Regime	01/10/2018	31/03/2019	0	JNCA - LTR
Housing Support Services	22/05/2018	Argyll & Bute Care and Repair	£221,694	Light Touch Regime	01/04/2018	30/09/2019		JNCA - LTR
Individual and Collective Advocacy for Children and Young People	22/05/2018	Who Cares? Scotland	£59,000	Light Touch Regime	01/04/2018	31/03/2019	12	JNCA - LTR
Services to Children affected by Disability	01/10/2018	Cornerstone	£53,900	Light Touch Regime	01/10/2018	31/03/2019	0	JNCA - LTR
Services to Children affected by Disability - Oban Saturday Club	31/03/2019	Scottish Autism	£41,309	Light Touch Regime	01/04/2018	31/03/2019	0	JNCA - LTR
Community Support Service to people with Dementia and their carers	06/08/2018	Alzheimers Scotland	£102,259	Light Touch Regime	01/04/2018	31/03/2019	0	JNCA - LTR
Link Worker Service for people with Dementia and their carers	06/08/2018	Alzheimers Scotland	£329,490	Light Touch Regime	01/04/2018	31/03/2019	0	JNCA - LTR
Award of Active Travel Counters Supply & Maintenance Framework	28/03/2019	Q Free (Bristol) UK Ltd	£80,000	Regulated - Supplies	25/03/2019	24/03/2020	36	Single Stage
Award of Kilmory Data Server Refresh	12/12/2018	Insight Direct UK Ltd	£466,187	OJEU - Supplies	12/12/2018	11/12/2023	0	Mini-Comp
Bridge Assessment Package 2019	27/02/2019	Fairhurst	£73,263	Regulated - Services	27/02/2019	29/04/2019	0	Mini-Comp
Active Travel 2018	14/01/2019	Jacobs	£234,960	OJEU - Services	14/01/2019	06/05/2019	0	Open

## APPENDIX 2

### COMPLIANCE WITH SUSTAINABLE PROCUREMENT POLICY

#### 1 People

Priority	Compliance in 2018/19
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.	Partially complied: <ul style="list-style-type: none"> <li>Sustainable Procurement in relation to inclusion within Commodity Sourcing Strategies and Contract Management was included within the Procurement Refresher Training undertaken in 2018/19.</li> </ul>
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.	Fully complied: <ul style="list-style-type: none"> <li>Judy Orr, Head of Customer and Support Services was the Council's Sustainable Procurement Champion in 2018/19</li> </ul>
c) We will continue to publicise our commitment and successes in Sustainable Procurement.	Fully complied: <ul style="list-style-type: none"> <li>Community Benefit achievements are reported internally to senior management</li> </ul>

#### 2 Objectives, Strategy & Communications

Priority	Compliance in 2018/19
a) We will carry out sustainable procurement whilst complying with national and EU procurement regulations that protect and encourage open and transparent public procurement.	Fully complied: <ul style="list-style-type: none"> <li>All processes are in line with the Procurement Manual and Procurement Journey which comply with all regulations</li> </ul>
b) We will ensure our Sustainable Procurement Policy continues to meet all external requirements, as well as complementing the Council's internal Strategies.	Fully complied: <ul style="list-style-type: none"> <li>The Sustainable Procurement Policy was updated for 2019/20 to meet all requirements</li> </ul>
c) We will ensure relevant communications strategies are developed and actioned as required, in relation to Sustainable Procurement outcomes.	Fully complied: <ul style="list-style-type: none"> <li>A consultation was carried out to inform the Sustainable Procurement Policy</li> </ul>
d) We will communicate this policy and accompanying guidance to all Council staff and elected members.	Fully complied:

	<ul style="list-style-type: none"> <li>The Sustainable Procurement Policy was cascaded to all Council staff and is available on the Council's intranet and external website.</li> </ul>
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### 3 Process

Priority	Compliance in 2018/19
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.	Fully complied: <ul style="list-style-type: none"> <li>Sustainability is included in Commodity Sourcing Strategy templates, and specifications and contract conditions where appropriate</li> </ul>
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.	Fully complied: <ul style="list-style-type: none"> <li>The Council's standard process for including Community Benefits Clauses within contracts is followed for all appropriate procurements, and quarterly reports are provided to the Council's Procurement Board</li> </ul>
c) In relation to economic considerations, our priorities will be: <ul style="list-style-type: none"> <li>To use mandatory sub-contracting clauses in all proportionate and relevant contracts;</li> <li>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.</li> </ul>	Fully complied: <ul style="list-style-type: none"> <li>A mandatory sub-contracting clause was included in 6 regulated procurements in 2018/19 – this was not considered relevant or appropriate to the remaining regulated procurements due to the nature of the requirements and/or the potential supply markets;</li> <li>The consideration of lotting is included within the Council's Commodity Sourcing Strategy templates</li> </ul>
d) In relation to social considerations, our priorities will be: <ul style="list-style-type: none"> <li>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;</li> <li>To ensure that our contract terms require suppliers to support the health, safety, welfare and rights of their employees and supply chain;</li> <li>To promote fair trade options throughout the Council;</li> </ul>	Fully complied: <ul style="list-style-type: none"> <li>Equalities and Diversity considerations are included in Commodity Sourcing Strategy templates and in Council Terms and Conditions;</li> <li>Employee and supply chain rights are included within our standard contract clauses;</li> <li>Fair trade options are available in current contracts;</li> <li>Orders were placed with 3 supported businesses in 2018/19</li> </ul>

<ul style="list-style-type: none"> <li>To promote the use of Supported Businesses, where their prices and capacity to deliver is comparable to the rest of the market.</li> </ul>	
<p>e) In relation to environmental considerations, our priorities will be:</p> <ul style="list-style-type: none"> <li>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;</li> <li>To ensure that our procurements are necessary – where appropriate re-using, repairing or refurbishing existing goods;</li> <li>To specify fresh, seasonal, nutritious, and where possible, organic food, and to not knowingly purchase genetically modified food or food with genetically modified ingredients;</li> <li>To specify minimum packaging, reusable packaging and packaging take-back;</li> <li>To minimise any negative impacts of our procurements on biodiversity;</li> <li>To use recycled paper throughout the Council where there are no compatibility issues with existing equipment;</li> <li>To consider animal welfare when procuring; and wherever possible, will not purchase goods which have been developed using animal testing.</li> </ul>	<p>Fully complied:</p> <ul style="list-style-type: none"> <li>Climate Change impacts are considered in Commodity Sourcing Strategy templates;</li> <li>A Make or Buy Section has been included within Commodity Sourcing Strategy templates;</li> <li>No Catering contracts were procured in 2018/19;</li> <li>A labelling and packaging clause has now been included within the Council’s standard Terms and Conditions, for use within appropriate contracts;</li> <li>Consideration of Biodiversity is included within the Council’s Commodity Sourcing Strategy templates;</li> <li>The Council has been moving towards reducing the overall use of paper, part of which has involved providing paperless reports to all committees and to management team meetings, as well as removing desktop printers in favour of MDFs. Unfortunately, these machines are the ones with compatibility issues with recycled paper. The total spend on paper in 2018/19 was £65,948, 3.8% of which was recycled.</li> </ul>

#### 4 Engaging Stakeholders

Priority	Compliance in 2018/19
<p>a) We will engage with our suppliers and stakeholders to remove barriers to participation in procurement and maximise impact of sustainable opportunities.</p>	<p>Fully complied:</p> <ul style="list-style-type: none"> <li>A consultation was carried out in relation to the revised Procurement Strategy and Sustainable Procurement Policy</li> </ul>
<p>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.</p>	<p>Fully complied:</p> <ul style="list-style-type: none"> <li>TSI Conference Building Capacity Social Enterprise Networking Event in Oban was attended by representatives from the PCT in March 2019, where they led on a workshop.</li> </ul>

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.	Fully complied: <ul style="list-style-type: none"> <li>The consideration of individual procurement consultations is included within Commodity Sourcing Strategy templates</li> </ul>
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.	Partially complied: <ul style="list-style-type: none"> <li>Suppliers were contacted as part of the consultation exercise for the Sustainable Procurement Policy</li> </ul>
e) We will consult with stakeholders, including suppliers and Third Sector agencies, to ensure views are considered on sustainable outcomes sought.	Fully complied: <ul style="list-style-type: none"> <li>A consultation was carried out in relation to the revised Sustainable Procurement Policy</li> </ul>

## 5 Monitoring & Reporting

Priority	Compliance in 2018/19
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.	Fully complied: <ul style="list-style-type: none"> <li>Reviews and improvements to our internal processes are undertaken in line with the Procurement Journey</li> </ul>
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.	Fully complied: <ul style="list-style-type: none"> <li>Sustainability is included within standard contract management templates</li> </ul>
c) We will measure and report on our progress in embedding and continuously improving sustainable procurement and its contribution to delivering sustainable development annually.	Fully complied: <ul style="list-style-type: none"> <li>This is included within this Annual Procurement Report</li> </ul>
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	Fully complied: <ul style="list-style-type: none"> <li>Contributed to climate change reporting November 2018;</li> <li>Procurement contributes to the Council's Equality reporting requirements when requested;</li> <li>Internal reporting of Community Benefits achievements is ongoing on a quarterly basis</li> </ul>
e) We will continue to self-assess the Council's progress against each theme of the Flexible Framework annually, and report on our progress.	Fully complied: <ul style="list-style-type: none"> <li>The Council's progress against the revised Flexible Framework and Action Plan for the future is included within this Annual Procurement Report</li> </ul>



## Appendix 3 - Annual Procurement Report Annex

<b><u>1. Organisation and report details</u></b>	
a) Contracting Authority Name	Argyll and Bute Council
b) Period of the annual procurement report	01/04/2018 to 31/03/2019
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<b><u>2. Summary of Regulated Procurements Completed</u></b>	
a) Total number of regulated contracts awarded within the report period	49
b) Total value of regulated contracts awarded within the report period	£27,157,761
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	50
i) how many of these unique suppliers are SMEs	31
ii) how many of these unique suppliers how many are Third sector bodies	9
<b><u>3. Review of Regulated Procurements Compliance</u></b>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	49
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<b><u>4. Community Benefit Requirements Summary</u></b>	
<b>Use of Community Benefit Requirements in Procurement:</b>	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	4
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	4
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	12

**Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:**

d) Number of Jobs Filled by Priority Groups <i>(Each contracting authority sets its own priority groups)</i>	Unknown
e) Number of Apprenticeships Filled by Priority Groups	Unknown
f) Number of Work Placements for Priority Groups	Unknown
g) Number of Qualifications Achieved Through Training by Priority Groups	Unknown
h) Total Value of contracts sub-contracted to SMEs	Unknown
i) Total Value of contracts sub-contracted to Social Enterprises	Unknown
j) Total Value of contracts sub-contracted to Supported Businesses	Unknown
k) Other community benefit(s) fulfilled	51

**5. Fair Work and the real Living Wage**

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	9
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	5
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	2
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	1

**6. Payment performance**

a) Number of valid invoices received during the reporting period.	113,804
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	97.12
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	48
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

## **7. Supported Businesses Summary**

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£201,499.74
i) spend within the reporting year on regulated contracts	£201,464.74
ii) spend within the reporting year on non-regulated contracts	0

## **8. Spend and Savings Summary**

a) Total procurement spend for the period covered by the annual procurement report.	£145,764,022
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£84,613,874
c) Total procurement spend with Third sector bodies during the period covered by the report.	Unknown
d) Percentage of total procurement spend through collaborative contracts.	25%
e) Total targeted cash savings for the period covered by the annual procurement report	Don't record
i) targeted cash savings for Cat A contracts	Don't record
ii) targeted cash savings for Cat B contracts	Don't record
iii) targeted cash savings for Cat C contracts	Don't record
f) Total delivered cash savings for the period covered by the annual procurement report	£4,914,473
i) delivered cash savings for Cat A contracts	£1,635,149
ii) delivered cash savings for Cat B contracts	£224,848
iii) delivered cash savings for Cat C contracts	£3,054,476
g) Total non-cash savings value for the period covered by the annual procurement report	0

## **9. Future regulated procurements**

a) Total number of regulated procurements expected to commence in the next two financial years	45
b) Total estimated value of regulated procurements expected to commence in the next two financial years	Unknown

