



PROCUREMENT MANUAL

2024

1.0 THE FIRST SECTION: AN OVERVIEW

1.1 Overview

Public procurement is the process by which public bodies acquire supplies, services and works from third parties to meet customer and service user needs. Procurement covers all activities from identification of a requirement through to the end of the useful life or disposal of an asset.

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20/21, strategic procurement arrangements can increase commercial excellence throughout the organisation, ensuring that our services deliver best value. Effective procurement arrangements can make significant contributions to a wide range of Council objectives including a successful local economy, a thriving voluntary sector, community involvement and environmental issues as well as delivering value for money. Strategic procurement recognises that it is essential that procurement decisions are taken with a focus on the outcomes that the Council is seeking to achieve.

1.2 Best Value

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secure best value under the Local Government in (Scotland) Act 2003. This requires the Council to:

Secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, have regard to economy, efficiency, effectiveness, and equal opportunities requirements and to contribute to the achievement of sustainable development.

1.3 Savings

[Savings from Procurement](#) should be recorded in line with Supplementary Guidance Note 16 Savings and Benefits Collating and Reporting Methodology and current Scottish Government Guidance on Procurement Benefits Reporting.

1.4 Legal Context

Underpinning the duty to achieve Best Value, there are several layers of procurement regulation that dictate how public procurement must be conducted by the Council:-

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Directives. Following the UK exit from the EU on 31st December 2020 some technical changes are being made to the procurement regulations (addressed at point 1.5 below);

Scottish legislation and guidance (addressed at point 1.6 below);

Council Contract Standing Orders (addressed at point 1.8 below)

1.7 Thresholds: Regulatory

Procurement Threshold and Contract Value Estimation Changes

Post the UK exit from the EU, the UK is an independent member of the World Trade Organisation Agreement on Government Procurement (WTO GPA).

A new Scottish Policy Note [SPPN 5/2023](#) has been released to communicate threshold changes.

The WTO GPA procurement thresholds changed on 1 January 2024.

From this date when you calculate the estimated value of your contract you must include VAT (if applicable) at the appropriate rate for your contract (or apply the standard UK VAT rate of 20%). More information is detailed below.

The Procurement Reform (Scotland) Act 2014 threshold values for regulated procurements are not changing i.e. they remain at £50,000 (ex VAT) for Supplies and Services and £2million (ex VAT) for Works.

The Public Contracts (Scotland) Regulations 2015 (the Regulations) have been increased commensurate with the addition for VAT. Unless you can show that your contract has no VAT or a low73 (m)3 ln()7hefoutTu1-48 (s595.3 (s.(A)-2r6W50ilow732c

Summary of Threshold Levels from 1st January 2024

The Public Contracts (Scotland) Regulations 2015	<i>New Threshold Value</i>	<i>Indicative Value excl 20% VAT</i>
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1.8 Thresholds: Local - Contract Standing Orders

Argyll and Bute thresholds which include the current financial thresholds and recommended routes are as follows:

Type	Value	Action
Supplies	£0 - £999	Pricing agreement should be reached prior to purchase, can be done verbally but file note must be kept/ Quick Quote can be carried out if required
	£1,000 - £49,999	Quick Quote (single or dual stage tender if required), use Public Contracts Scotland
	£50,000 - £179,087 - indicative value including 20% VAT £214,904	

Type	Value	Action
Works	£0 - £999	Pricing agreement should be reached prior to purchase, can be done verbally but file note must be kept/ Quick Quote

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PCCMT recognises that its purchasing decisions have social, economic and environmental implications, both locally and nationally, now and in generations to come.

1.11 External Bodies

The Council can procure on behalf of external bodies and partner organisations, it is essential that procurement advice is sought prior to proceeding to ensure that: proper governance arrangements are applied; contracting parties are established and where appropriate an arrangement is in place for the recovery of the cost of procurement services.

Reference should be made to the process for External Bodies in **Template 1 Procurement Procedures Template**, and **Template 15 On Behalf of External Bodies Templates**.

1.12 Overview

**1.13 The Procurement, Commercial and Contract Management Team -
Contact Details**



1.15 Procurement Staff by Specific Projects:

PROJECTS

Contract and Supplier Management (CSM)	Moira Logan
IKEN	Anne MacColl-Smith Liz Munro
PECOS/PECOS Training	Lynsey MacLennan Julie Galbraith Laura Cook
Procurement Commercial Improvement Programme (PCIP) Assessment	Anne MacColl-Smith Liz Munro
Procurement Manual, Constitution and Contract Standing Orders	Anne MacColl-Smith Moira Logan
Procurement Strategy and Annual Procurement Report	Anne MacColl-Smith Liz Munro
Procurement Training	Anne MacColl-Smith Moira Logan
Procurements on behalf of external bodies	Moira Logan
Public Contracts Scotland	Elaine Appleby
Spikes Cavell Scottish Procurement Hub	Liz Munro
Supplier Development	Anne MacColl-Smith
Sustainability	Elaine Appleby

2.0 THE SECOND SECTION: PROCUREMENT JOURNEY

2.1 An overview of The Procurement Journey for Argyll and Bute

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Does the Council have available capacity to meet the requirements of the proposed purchase in house, to the required quality and within the required timescale?

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Can the Council deploy additional resources to meet the requirements at a cost that is comparable to the cost of purchase?

Other considerations can be taken into account when justifying a decision to deliver a requirement in-house, even if costs are above cost of purchase while still within a competitive market range, such as safeguarding staff resources within the Council, and any other strategic considerations of senior management.

For the above comparisons the cost of purchase should be estimated from previous purchases or should be arrived at through other research. No formal tendering exercise will have been carried out at this point.

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a later tender price then this should form a control bid, which should be communicated within the tender documents. In these situations it should be !
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successful bids in this situation.

This should be taken into account in producing the Commodity Sourcing Strategy. As an example of timescales a low value low risk procurement would use the Quick Quote process which can be carried out within a few weeks (depending upon the complexity and state of readiness of the specification) whereas a more complex tendering process takes around 9 12 months.

2.5 Is There An Existing Contract/Framework Provider?

Consider whether your requirement could be met through an existing Scottish, UK wide, sector led or local framework or contract which would provide best value. A framework contract is one where the main elements of the contract have been agreed and which set out the terms under which specific purchases (call-offs) can be made.

If not, and the contract value, including any recurring needs over a four year period, does not exceed £50,000 (for supplies and services)/ £2,000,000 (for works) route.

All contract opportunities over £1,000 will be advertised on Public Contract Scotland (PCS) portal. Using PCS is a way of ensuring a degree of transparency and a consistent approach amongst public authorities and provides an essential audit trail.

2.6 Which Route?

The Procurement Journey guidance should be used to ensure you select the most appropriate Procurement Journey Route:

2.6.1 Route 1 – Pricing Agreements

For step by step guide please see Supplementary Guidance Note 7 Route 1 Procurement Processes Explained.

2.6.2 Route 1 – Quick Quotes

For supplies and services the Quick Quote procedure should be used where possible for purchases between £1,000 and £50,000 using the **Invitation to Quote (ITQ) Template** within **Template 5 Route 1 Pricing Agreement, ITQ, ITT & NCA Templates**. For works the threshold is higher and the Quick Quote procedure is applicable for purchases between £1,000 and £2,000,000 (for detailed requirement, see

2.6.3 Route 1 – Single Stage Tender Process

This process should be used for supplies and services contracts up to the value of £50k and for works contracts up to the value of £2,000,000 where it has been decided that the Quick Quote process is not appropriate as there is a requirement to advertise the procurement (for example where there are insufficient suppliers identified to be included within a Quick Quote distribution list). For the detailed requirements of this process, see ***Supplementary Guidance Note 7 Route 1 Procurement Processes Explained.***

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2.7 Roles and Responsibilities

There are many stakeholders involved in procurement. The main roles of each are shown in **Supplementary Guidance Note 4 UIG Guide Roles and Responsibilities**. Where there is cross-service spend then the instructing customer will normally be the Service with the biggest spend (unless otherwise agreed) for the purposes of approvals, CARRs and contract management responsibilities.

2.8 Engaging the Market

2.8.1 Annual Procurement Report:

An Annual Procurement Report must be published by the Council on regulated procurement activities as soon as reasonably practicable after the end of the financial year. The report must include a look back at the procurement activity over the year and a forward look which should include a summary of the regulated procurements the Council expects to commence in the next two financial years.

2.8.2 Prior Information Notice (PIN):

Buyers may issue a Prior Information Notice (PIN) for early market engagement, and/or as a call for competition to reduce procedural time limits (upon publication of Contract Notice) in restricted procedures or competitive procedures with negotiation, for regulated level procurements.

PINs will follow a standard form and will outline: who the buyer(s) is/are, what is required, the anticipated contract value, the type of contract, and when the requirement should be fulfilled.

The table below advises on the types of PIN and what/when they may be issued for:

Type of PIN	Used for	Applicable to
PIN - Standard	Early market engagement e.g. market research questionnaires, advertising of supplier events.	Any unregulated and regulated procedure.
PIN For reducing time limits	Early market engagement (as above), as well as a call for competition to reduce procedural time limits (upon publication of Contract Notice). This PIN must have been published for a minimum of 35 days before it can be used to reduce procedural time limits.	Restricted procedures or competitive procedures with negotiation, for regulated level procurements.

The following are some further key notes about PINs:

The PIN is valid for a period of twelve months from issue.

The PIN does not create any commitment from the Council to proceed with a tendering exercise.

2.8.3 Request for Information (RFI) – Market Tests:

RFIs are primarily used to gather market information to help make a decision on what steps to take next. In addition to gathering basic information, an RFI is often sent to a broad base of potential suppliers for the purpose of conditioning suppliers' minds, developing strategy, building a database, and preparing for a future tender.

2.9 Advertising the Contract

The Commodity Sourcing Strategy will identify the tender procedure to be used commensurate with the tables at section 1.8. The most commonly used procedures are listed at (a) to (f) below. The Regulations provide for the following procedures

- (a) Open Procedure
- (b) Restricted Procedure
- (c) Single Stage Procedure
- (d) Dual Stage Procedure
- (e) Closed/Quick Quote Procedure
- (f) Frameworks which includes reference to Mini competitions
- (g)

Whenever possible, where the closed procedure is used, the contract award criteria should be based on a quality / price mix, with the award going to the Most Economically Advantageous Tender (MEAT). In other cases, where quality is an absolute (mandatory or legislative), award can be made on the basis of

Tables of Additional Documents

Please Note – Supplementary Guidance Notes and Templates are available from the Procurement, Commercial and Contract Management Team.

Supplementary Guidance Notes	Description
Supplementary Guidance Note 1	Time Limits
Supplementary Guidance Note 2	Sustainable Procurement and Types of Community Benefits
Supplementary Guidance Note 3	Argyll and Bute Council - Community Benefits Clauses in Procurement Guide
Supplementary Guidance Note 4	UIG Guide - Roles and Responsibilities

