



Argyll and Bute Council

PROCUREMENT STRATEGY

2022/25

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Section 1 - Overview

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Section 2 - Introduction

- 2.1.** This Procurement Strategy sets out the vision, objectives and actions which will direct and govern procurement activities for Argyll and Bute Council for 2022 to 2025.
- 2.2.** These reflect both national and local policies and priorities, and includes our approach to the economic recovery plan in response to the COVID-19 Pandemic, Brexit, Suppliers' Fair Working Practices and Ethicality, Sustainability, Climate Change, Corporate Social Responsibility, Small and Medium-sized Enterprises (SMEs), Supported Businesses, and Third Sector organisations.
- 2.3.** They recognise the current budget constraints and an increasing demand for goods, services and works.
- 2.4.** Procurement is a key strategic driver to enable the business community and the communities we serve to adapt, diversify and flourish despite economic pressures. The present economic landscape has created unique but not insurmountable challenges for the area.
- 2.5.** Procurement plays a pivotal role in supporting the Council's strategic plan and will continue as a key enabling strand within the ongoing reform and continuous improvement of the Council.
- 2.6.** The Argyll and Bute Council Procurement Strategy 2022/25 relates to our overall procurement approach, with specific focus on regulated procurements. Regulated procurements are defined as works contracts over £2million in value, and supplies and services contracts over £50,000 in value.
- 2.7.** This Procurement Strategy has been prepared in response to the changing procurement agenda and the current financial climate. Previously, the Strategy has been renewed annually. This Strategy sets out the procurement aims and goals of the Council for 2022/25 and will be updated on an annual basis. These aims and goals reflect both national and local policies and priorities. Through adhering to the Procurement Strategy, the Council will manage and mitigate the potential risks associated with public sector procurement. Such risks include the potential for challenge from unsuccessful tenderers, the risk of not achieving best value for Council Services and failing to support the Council's strategic aims.

Argyll and Bute Council recognises the value of existing relationships with suppliers and contractors and seeks to build and strengthen those relationships. Local businesses and the third sector play a valuable role in supporting the work of the local authority. The Strategy aims to help remove the barriers often faced by smaller organisations with limited resources in bidding for work tendered by the Council. The Procurement, Commercial and Contract Management Team (PCCMT) has provided, and will continue to provide, support to local organisations by structuring tender opportunities, wherever possible, to enable local organisations to bid for Council contracts and by building their capacity to respond to formal procurements through local Meet the Buyer and other training events, and through promotion of the Supplier Development Programme.

Delivery/success statement for all procurement leaders

We will broaden the impact of the Sustainable Procurement Duty, seeking to deliver wider socio-economic benefits for the communities which we are part of and which are part of our supply chains. This will support responsible procurement practices, including inclusive environmental and economic wellbeing, identifying and pursuing equality outcomes in relevant procurements and embedding Fair Work First principles in more contracts and supply chains. We will continue to maximise opportunities for local and third sector businesses to bid for and win contracts, and support public bodies to maximise their procurement spend locally through the intelligent use of procurement data.

iii) Priority: supply chain resilience (public sector)

High level aims:

- manage business continuity through supply chain shocks (e.g. pandemic, post-EU Exit).
- build/support immediate and longer term resilience in critical supply chains.
- collaborate on opportunities to grow capacity and capability in targeted sustainable supply chains.

Delivery/ success statement for all procurement leaders

We will assess and mitigate key commercial risks associated with geopolitical, societal and health developments (e.g. COVID-19). The sustainable supply chain strategy will be updated to reflect these risks and opportunities.

v) Priority: climate emergency (including carbon reduction and a circular economy)

High level aims:

- embed climate considerations in a ‘whether’, ‘what’, ‘how’ and ‘how much’ we buy approach.
- integrate climate action in contract and supplier management activities.
- seek local leaders, stakeholders and suppliers commitment to developing cross-functional roadmaps that exploit opportunities for economic development while delivering on our climate ambitions.

Delivery/success statement for all procurement leaders

We will mobilise the public sector’s c£12.6 billion procurement spend to support our climate change and circular economy obligations. We will take part in an aligned sectoral approach, building on existing networks to secure high-level buy-in, clarify expectations and gain traction on the call to action.

We will identify and mitigate risks, exploiting opportunities and priorities through in-sector and cross-sectoral ways of working. We will develop integrated cross-functional climate impact reduction roadmaps (for example, construction, heat, travel, fleet) that may also exploit opportunities for economic development in delivering our climate ambitions. We will benchmark industry best practice and work collaboratively across the public sector to develop practical approaches and buyer capability to influence a green recovery and wider climate and circular economy ambitions.

vi) Priority: achieving professional excellence (against national policy and standards)

High level aims:

- create and develop the talent we require now and in the future to deliver on our ambitions
- develop and/or implement collaborative targeted capability programmes to build skills and competencies, driving consistency in approaches
- ensure that training and professional development continues to be available to the sector during the pandemic and post-pandemic period

Delivery/ success statement for all procurement leaders

We will work with sectoral Centres of Expertise (CoEs) to champion, support and enable the professionalisation agenda including Talent Creation, where we will collaboratively plan, scope and consider next steps on national entry scheme options; and grow, support and enable a diverse Procurement People of Tomorrow (PPoT) community.

We will support professional standards for recruitment and development (aligned to the Competency Framework), improving policy into practice and application, raising and applying a high consistent standard this will include.

As Public Procurement leaders we will work collaboratively to explore people development approaches and tools already in place across sectors; and will co-develop leading people development approaches and programmes that can be utilised on a cross-sector basis. We will continue to support and facilitate, and as

Section 4 – Strategy Rationale & Context

- 4.1 Our principal aim is to ensure the principles of public procurement - transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability - underpin our procurement activity.
- 4.2 We will also aim to build upon the achievements and benefits derived from the C

- 4.6** The Council will continue to deliver its procurement activities and meet the above opportunities and challenges in line with the Scottish Model of Procurement:

5.3 Our strategic objectives

For this strategy, the Council has three key strategic procurement objectives:

- Legal compliance
- Value for money
- Empowering local suppliers

5.3.1 Legal Compliance

Aims

- To ensure all procurement staff and council officers involved in the procurement process are fully aware of all aspects and impacts of the procurement rules and any other relevant regulations.

How we will do it

- Mandatory training for council officers involved in the procurement process (project leads, specification writers) including highlighting the social benefits that procurement must consider (for example, Equality and Fair Work First Practices).
- Ongoing training for procurement staff on changes to legislation and regulations.

What will the outcome be?

- Procurement staff are confident in their understanding of procurement regulations and other relevant regulations.
- Mitigation of the opportunities for procurement challenge.
- Procurement activity will comply with all relevant statutory and regulatory requirements.

5.3.2 Value for Money

Aims

- To support the Council in achieving budget savings targets.
- To work closer with our client departments to understand their needs, identify opportunities to reduce expenditure, control demand and improve process efficiencies.
- Work more collaboratively with other public sector organisations to support Community Wealth Building across Argyll and Bute.

- We will analyse the supply chain in Argyll and Bute to identify specific areas of strength and opportunities to develop specific sectors and work closely with the Supplier Development Programme (SDP) to deliver effective supplier engagement and improve the capability of local businesses to bid for contracts.
- We will meet the national objectives for the prompt payment of suppliers and promote the prompt payment of subcontractors.

What will the outcome be?

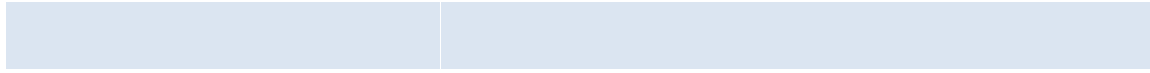
- We will have delivered simplified and more consistent procurement processes for businesses tendering for contracts across Argyll and Bute.
- We will have raised awareness among suppliers of forthcoming opportunities to bid for

Procurement Strategy Action Plan

5.4.1 Legal Compliance

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5.4.2 Value for Money



5.4.3 Empowering Local Suppliers and delivering sustainable procurement/contd

5.5 Mandatory Requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations / contd

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5.5 Mandatory Requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations / contd

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- 5.6** Key Performance Indicators by which we will measure the success of the Action Plan are detailed in Section 7.
- 5.7** The Council's current Contract Plan can be found [here](#).

Section 6 – Procurement Strategy by Category

CORPORATE & EDUCATION

Scope/Key Spend Areas

The Corporate & Education Category consists of the following areas:

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

Within Corporate & Education, our overall strategy is to work with all relevant services to review existing contracts or identify new needs and schedule procurement exercises as needed. In doing this, we determine the most appropriate procurement route for the requirement and engage the market as early as possible dependant on the procurement route selected.

2022/25 Strategy

Analysis of the existing spend profile (financial year 2020/21) across the Corporate & Education Category has identified the volume of uncontracted suppliers as a priority areas of focus. The analysis breaks down as follows:

Spend Type	Number of Orders	Total value (£)	Number of suppliers	Average transaction value (£)	Total Percentage
Contracted	21948	£20.36m	286	£927.74	90.43%
Uncontracted	2833	£2.15m	307	£760.64	9.57%

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

- To continue to support all services to source and purchase goods and services from national and CAT C contracts where possible.
- To continue to increase the remit of the Transactional Purchasing Team (TPT) and grow the team’s procurement knowledge and skills to aid services in ensuring best value is achieved for all low value spend.
- To continuously review the eProcurement System (PECOS) to ensure catalogues and suppliers are up to date and available for use by both the TPT and service end users.

Continue to review the system setup of PECOS, test new functionality as it becomes available/resource allows and implement to improve user experience where possible.

- To continue to work with all services to implement the No PO No Payment; eventually resulting in the stopping of all relevant manual batched payments and providing the PCCMT access to line item detail of all supplier spend.
- Continue to support Education Services with all procurement activity via their newly established Education Purchasing Team to increase Education's volume of spend under contract.

Short/Medium Term Strategy

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

- **Transactional Purchasing Team (TPT):** Continue to increase the volume of uncontacted spend directed to the TPT for sourcing. Increase volume of Invitation to Quotes (ITQs) processed and awarded via TPT. Complete the roll out of requesting corporate purchases and travel and accommodation requests via PECOS and stop all emailed requests.
- **National Contracts:** As new national contracts become available, assess suitability and carry out Best Value review. If deemed appropriate, roll out to relevant users and on PECOS.
- **PECOS:** Promote the use of CAT C 2.9 T-3 (e)}3 (r)- 1.1 (ng.)1 (al)1 (ue0 Td()T4 Tm4i)1 (at)-3 (

- Provide support to the HSCP and Council teams with the development of the Place Based Review in Dunoon and Rothesay;
- Introduce Fair Work Practices evaluation criteria into Construction & Environment tenders in line with the Council's new standard approach across all contracts;
- **Statutory Maintenance Term Contracts:** The PCCMT is currently working with Property Services to introduce new Term Contracts to cover the Council's statutory requirements in relation to buildings maintenance. This is an ongoing process with separate unique contracts and specialist suppliers involved. Collaborative frameworks will be utilised where possible;
- **Consultancy Services:** In addition to the consultancy services provided via the Scotland Excel frameworks, there are requirements to provide more economical services suited to the Council's requirements – where possible, these should be created using methods to encourage local SMEs to submit tenders. New or revised frameworks could include Ecologists, QS services, Architectural, Civil/Structural, etc. i.e. all Design Services, even where that service is available in-house (to provide support where there are capacity issues).

Longer Term Strategy

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

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

CARE, EARLY YEARS & HOUSING

Scope/Key Spend Areas

The Care & Housing Category consists of the following areas:

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

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

The highest spend within the Care and Housing Category comes from the Health and Social Care Partnership (HSCP). The HSCP are in the process of developing their Joint Strategic Commissioning Plan (JSCP) which will align with the principles of the [Feely Review](#) in informing the procurement of future Service Provision.

The JSCP will include the following broad aims: ofk(l)/Line/P

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The HSCP is in the early stages of developing a Care at Home Strategy for Older People; and reviewing the provision of services aimed at other adults, with a particular focus on ensuring contracted support for those with mental health needs. This work will inform models of support including a procurement process that is proportionate and in keeping with the Feely Review.

General Activity:

Continue involvement in the development of the JSCP and related work streams. This work will likely prompt reviews of spec Ci8IComomse CalComh.i Invnu

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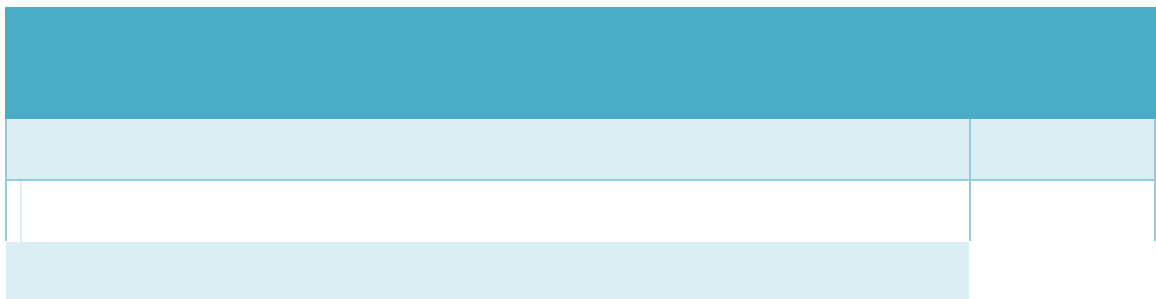
Longer Term Strategy

Section 7 - Financial Analysis & KPI's

7.1 The Council's total procurement spend in 2020/21 on supplies, services and works was £140.33 million, this is broken down by Category in the table below.

7.4 In 2020/21, spend with SMEs accounted for 65% of procurement spend (where supplier size could be determined). The chart below shows the breakdown of spend with Small, Medium and Large companies for 2020/21.

7.5 Key Performance Indicators:



Section 8 - Implementation, Reviewing and Reporting

8.1 IMPLEMENTATION

8.1.1 Consultation

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

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

- Argyll and Bute Council Employees
- Argyll and Bute Councillors
- MP and Local MSPs
- Key Suppliers
- Community Planning Partners
- Other interested parties
- The general public

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

8.1.2 Approval of Strategy

The Procurement Strategy will be approved in line with the Council's standard process. After the consultation is complete, the draft Strategy will be finalised and sent for approval by the Departmental Management Team, the Strategic Management Team and the Policy and Resources Committee.

8.1.3 Publication of Strategy

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

8.2 REVIEWING

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

8.3 REPORTING

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

A summary of all regulated procurements completed in the year.

- A review of whether these procurements complied with this Procurement Strategy.
- A statement detailing how it is intended that future compliance will be achieved where any procurements were found not to have been carried out in accordance with this Procurement Strategy.
- A summary of any community benefit requirements imposed as part of a regulated procurement that was completed during the year.
- A summary of steps taken to facilitate the involvement of supported businesses in regulated procurements completed during the year.

Section 9 - Policies, Tools & Procedures

National Policies:

- [Equality Act 2010](#)
- [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#)
- [Organisation for Economic Co-Operation and Development](#)
- [Procurement and Commercial Improvement Programme \(PCIP\) – Overview](#)
- [Procurement Journey](#)
- [Procurement Reform Update \(SPPN 1/2016\)](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland Tender](#)
- [Scottish Model of Procurement](#)
- [Scottish Procurement Information Hub](#)
- [Scottish Sustainable Procurement Duty](#)
- [Workforce Matters \(SPPN 1/2015\)](#)

Local Policies:

- [Community Benefits Clauses in Procurement Guide](#)
- [Council Constitution](#)
- [Economic Strategy 2019-2023](#)
- [Equality and Diversity Policy](#)
- [Health and Safety Policy](#)
- [Sustainable Procurement Policy 2021/22](#)

Section 10 - Glossary

Term	Description
Annual Procurement Report	The Procurement Reform (Scotland) Act 2014 requires all contracting authorities obliged to publish a Procurement Strategy, to publish an Annual Procurement Report

Term	Description
Contract Management	The process of monitoring the performance of a supplier to contract.
Contract Notice	Advert to invite applicants to express interest and apply to tender, or to be pre-qualified.
Contractor	The provider of any supplies, services or works under contract. Or, in the context of works, at any stage of the process.

COSLA

Term	Description
HSCP	Health and Social Care Partnership, also referred to as the Argyll and Bute Integrated Joint Board being the Integration Joint Board established by Order under Section 9 of Public Bodies (Joint Working) (Scotland) Act 2014.
ICT	Information and Communications Technology
IJB	Integration Joint Board
KPIs	Key Performance Indicators. Measurable value that demonstrates how effectively the Council is carrying out procurements.
LTR	Light Touch Regime - Reference to the process for the award of a public contract for social and other specific services.
MEAT	Most Economically Advantageous Tender - Taking account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
NEC	New Engineering Contract - is a formalised system created by the UK Institution of Civil Engineers that guides the drafting of documents on civil engineering and construction projects for the purpose of obtaining tenders, awarding and administering contracts.
Notice	Advert
PCCMT	Procurement, Commercial and Contract Management Team within Argyll and Bute Council
PCIP	Procurement Commercial Improvement Programme Assessment Annual assessment of public sector organisations that focuses on the policies and procedures driving procurement performance and the results they deliver.
PCS	Public Contracts Scotland - The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
PCS-T	Public Contracts Scotland-Tender - The national eTendering system.
PECOS	Professional Electronic Commerce Online System – cloud based purchase to pay system used by Argyll and Bute Council.
PIN	Prior Information Notice - Early notices on PCS to advise of the intention to advertise later.
Procurement Exercise	Full end to end procurement exercise documentation from strategy development to contract and supplier management.

Term	Description
Procurement Function	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
Procurement Journey	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools, where appropriate, to ensure a standardised approach to the supply base.
Procurement Manual	Internal Argyll and Bute Council operational procurement guide.
Procurement Strategy	The Procurement Reform (Scotland) Act 2014 requires contracting authorities with significant procurement expenditure in the next financial year to publish a procurement strategy setting out how they intend to carry out regulated procurements, or review the current strategy and make appropriate revisions.
P2P	Purchase to Pay Process - Entire supply chain process, from goods receipt to payment process.
Quick Quote	Procurement method for lower value tenders, where the Invitation to Quote/Invitation to Tender is sent to a set distribution list of suppliers rather than being publically advertised.
SBCC	Scottish Building Contract Committee – organisation to produce building contracts designed to meet the needs of the construction industry in Scotland.
Scotland Excel	Scotland Excel

Term	Description
SMEs	Small and Medium Enterprises esesii Eum8ies Eumum

Term	Description
Value for Money	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
Vendor Rating System	Internal



Argyll and Bute Council

**SUSTAINABLE PROCUREMENT
POLICY
2022/25**

2.3 Adoption of this policy shall contribute to the Council's Best Value obligations, towards the Procurement & Commercial Improvement Programme (PCIP), Best Practice Indicators (BPIs) and towards Climate Change targets.

2.4 Sustainable Procurement also contributes to the Scottish Government's seven Purpose Targets of Economic Growth, Productivity, Participation, Population, Solidarity, Cohesion and Sustainability.

2.5 Council Commitment

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

3 PUBLIC SECTOR PROCUREMENT LANDSCAPE AND SUSTAINABLE PROCUREMENT

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

- Revised Flexible Framework
- The Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014 (including the Sustainable Procurement Duty)
- Waste (Scotland) Regulations 2012
- Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
- Climate Change (Scotland) Act 2009; the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019; and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020
- Local Government in Scotland Act 2003

4 LOCAL LANDSCAPE AND SUSTAINABLE PROCUREMENT

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

- Argyll and Bute Outcome Improvement Plan 2013-2023
- Argyll and Bute Council Corporate Plan for 2018-2022
- Argyll and Bute Council Procurement Strategy 2022-2023
- Argyll and Bute Council Procurement Manual
- Argyll and Bute Council Community Benefits in Procurement Guide
- Argyll and Bute Council Decarbonisation Plan 2021

3 Process

- a) We will consider sustainability issues in relation to the economic, social and environmental wellbeing of our area throughout the procurement process, including within strategy documents and contract conditions and specifications.
- b) We will use Community Benefits Clauses, where appropriate, in line with the Council's Community Benefits Clauses in Procurement Guide, reporting on achievements to the Council's Procurement Board on a quarterly basis.
- c) In relation to economic considerations, our priorities will be:
 - To use mandatory sub-contracting clauses in all proportionate and relevant contracts;
 - To lot contracts where appropriate to encourage small and medium size organisations to bid, and to ensure that tender documents are proportional to the requirement to remove unnecessary obstacles.
- d) In relation to social considerations, our priorities will be:
 - To ensure there is no intentional discrimination against specific groups of people when undertaking procurements - Equalities and Diversity considerations will be embedded throughout the procurement process;
 - To ensure that our contract terms require suppliers to support the health, safety, welfare and rights of their employees and supply chain – ensuring that the Council does not support human trafficking or modern slavery;
 - To promote fair trade options throughout the Council;
 - To promote the use of Supported Businesses, where their prices and capacity to deliver is comparable to the rest of the market.
- e) In relation to environmental considerations, our priorities will be:
 - To ensure that our procurements minimise our contribution to climate change and support goods, services and works that are well-adapted to the consequences of a changing climate;
 - To ensure that our procurements are necessary – where appropriate re-

5 Monitoring & Reporting

- a) The Council's ongoing programme of reviewing and improving our

6 SUMMARY

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

For Further information please contact:

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