

# The Tayside Procurement Consortium



Procurement

Strategy

2015- 2020

## **Introduction to, and Purpose of this Strategy**

This Third Tayside Procurement Consortium Procurement Strategy 2015-2020 has been updated to reflect the Tayside Councils desire to continue to improve our procurement and to focus on those activities that add value to the services we deliver. This Collaborative Procurement Strategy therefore sets out how we will:

Simplify procurement process for the benefit of both suppliers and the Councils

Increase the professionalism and commercial skill of TPC and Council procurement activity

Improve opportunity to local and SME suppliers to bid for TPC and Council business by increasing visibility of our procurement plans and contract opportunities

Maximise innovation, sustainability and collaboration in all our procurement activities

Nationally, the Scottish Government are leading Procurement Reform through the Procurement Reform Scotland Act 2015 which delivers on both the changes to the EU Directives governing procurement, and the establishment of sustainability as the heart of good public sector procurement

This TPC strategy pulls together these latest government initiatives and our own local priorities for 2015-2020 developed in line with the principles of the Councils' Community Plans which set out strategic direction and priorities. These plans identify the outcomes that the Councils seek to achieve, it explains how these outcomes will be

delivered and in doing so, the main challenges likely to be faced across the next five years.

This strategy advocates the positive role that robust procurement activity has in allowing the Councils to continue to deliver effective and efficient services.

The Head of Procurement TPC is the owner of this Procurement Strategy and is responsible for all TPC procurement activity. The Corporate Procurement Managers in each Council have key responsibilities in relation to Council specific procurement as follows:

- Responsibility for the actions in relation to procurement by all Council based corporate procurement teams
- Ensuring that Council based staff engaged in the procurement and contracting process are properly authorised to act, are properly trained and supervised, understand Standing Orders and related Corporate Procurement Procedures, and their compliance

## **Context to this Strategy**

This is the third Collaborative Strategy published by the Councils in Tayside and it seeks to build on the good progress made to date. The Councils typically spend approximately £400m a year on procuring goods, works and services. The Councils aim to continue to attain best value from this expenditure. In the years to 2020 we are likely to see a reduction in this spend to reflect national and local budget reductions so attaining best value for money remains significantly important.

This Strategy identifies the actions that we will take and the principles we will follow to maximise value from our procurement spend.

## **What is Procurement?**

Traditionally procurement activities have principally related to the tendering stage of the contract process.

It is widely acknowledged that the benefits of optimising the experience and expertise of procurement professionals has a much wider reach and should be maximised throughout the entire procurement process from service design/re-design through to effective contract management.

Procurement should be considered as being the commercial management of a full range of activities relating to the supply of goods, works or services, from “cradle to grave”, including the definition of requirements through the acquisition process and payment to the ultimate disposal of the asset.

Procurement can also be referred to as buying, purchasing, contracting or commissioning and all Council service areas will engage in procurement, which can range from the most basic requirements to multimillion pound services and works

## The Council's Vision and Strategic Priorities

The Councils have published their priorities and the following are common themes :-

- Giving every child the best start in life
- Developing educated, responsible and informed citizens
- Promoting a prosperous, inclusive and sustainable economy
- Supporting people to lead independent, healthy and active lives
- Creating a safe and sustainable place for future generations

## TPC Vision for Procurement

The TPC Vision for Procurement reflects the Councils' vision and is built around the Scottish Governments model of Procurement

# Scottish Procurement



Scottish Model of Procurement



In

the deliver of our Procurement vision we will be;-

**Improving Supplier Access to Public Contracts:** To make procurement as straightforward as possible for the Council and potential suppliers, in particular to improve access for local suppliers and SMEs and to eliminate anything that does not add value to the procurement. To support and encourage an effective local supplier market including the voluntary sector and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains).

**Maximising efficiency and collaboration:** To continue to embed professional procurement and develop further contract management skills across the Councils. This goes hand in hand with moves to increase the commercial acumen of the Council.

**Embedding Sustainability in all we do:** To use sound procurement practices and innovative solutions to promote sustainability and value for money, making use of collaboration and partnership opportunities where this accords with the Council's Principles of partnership working

**Delivering Savings and Benefits:** To work to a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering economic, social and environmental benefits including community benefits, supporting innovation and promoting processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly

The actions that each Council will take to deliver this vision are set out in the Corporate Procurement Plans

## **TPC Procurement Principles**

Fundamental to this TPC strategy are the TPC Procurement Principles. These are the principles that underpin how we procure

### **General**

Throughout any procurement we will be clear about the outcomes and objectives we want to achieve and the steps that we will take to achieve them.

The requirements identified in our procurement will support the delivery of the Council's strategic priorities, other statutory requirements and best value.

We will assess and manage the risk associated with our procurement in the context of the desired commercial outcomes.

Wherever possible requirements will be expressed in terms of outcome and performance to provide scope for innovation.

## **Value for money and Collaboration**

We will aim to achieve value for money defined, for the purposes of this Strategy, as the best combination of whole-life cost and quality to fulfil the requirements of the users of the service (internal or external as appropriate) or works (e.g. a building) or commodity.

We will continue to have collaboration at the heart of our procurement approach and will seek the opportunity for working with other authorities especially for goods and services which can be procured more cost-effectively in a collaborative group.

## **Sustainability**

We will continue to deliver on the policy and principles as laid out in our Sustainable Procurement Policy

## **The Local supply base**

TPC and the Councils will continue with their activity to support businesses local in Tayside through a range of initiatives including:

Making it simpler to do business with the Councils;

Reduce the bidding burden on suppliers.

Having regard to the impact on small/local firms of the way in which a procurement is structured

Providing clear information about selling to the Council on our website;

Advertising all our contract opportunities on Public Contracts Scotland

Providing information where it can about potential sub-contract opportunities arising from major Council procurements

### **Relationships with suppliers**

In longer-term contracts, we will incorporate provisions for continuous improvement both within the contracted service and to the benefit of the community it is serving.

In higher value contracts contractors will be encouraged to identify ways in which they can contribute to improving the economic, social and environmental well-being of Tayside.

### **Corporate Social Responsibility (CSR)**

Our Procurement outcomes, processes, and documentation will reflect the relevant principles of good CSR;

- Health, Safety, and Welfare
- Equalities and Diversity
- Ethical Sourcing, including Fairtrade.
- Workforce Matters & Employment Practices

CSR principles will be considered as a key requirement in any appropriate contract which involves for example direct contact with the public, or where the contractor is acting on the Council's behalf in a public environment.

## **Our Procurement conduct**

In all our procurement dealings, we will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with the Council's Codes of Conduct at all times.

In selecting contractors we will generally evaluate offers received on the basis of the most economically advantageous tender (MEAT) and will take into account, where appropriate, whole life costing seeking an appropriate balance between cost and quality.

## **Monitoring and Review**

This strategy will be reviewed annually by the Head of Procurement and its effectiveness will be measured through the existing annual TPC procurement report.