

EAST AYRSHIRE COUNCIL

CABINET – 8th JULY 2009

CORPORATE PROCUREMENT STRATEGY & E-PROCUREMENT STRATEGY

Report by Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to implement the reviewed Corporate Procurement Strategy 2007 – 2010 and the new eProcurement Strategy 2008 - 2010.

2 BACKGROUND

- 2.1 In 2007 a three-year Corporate Procurement Strategy was approved by the Council that addressed the changes in national procurement policy, including the recommendations of the Review of Public Procurement in Scotland carried out by John McClelland and to also take account of the legal changes imposed by The Public Contracts (Scotland) Regulations 2006. The Corporate Procurement Strategy contained an Action Plan with targets and these have now all been reviewed and updated to reflect actual performance.
- 2.2 In 2008, an external audit of the PECOS implementation highlighted a requirement to have in place an eProcurement Strategy.

3 DEVELOPMENTS

- 3.1 Since the implementation of the Corporate Procurement Strategy there have been fundamental changes in the National Procurement Agenda, including the formation of the National Centres of Expertise, the roll out of the electronic purchasing systems (PECOS) and the recently launched national e-Tendering and Quick Quote systems.
- 3.2 With the development of nationally procured Contracts and Framework Agreements by both Procurement Scotland and Scotland Excel the interests of Small / Medium Size Enterprises (SMEs) require to be protected and the reviewed Corporate Procurement Strategy seeks to insure that small local companies are not excluded from participating in business opportunities.
- 3.3 Improved procurement has been identified as one of the key platforms to secure the required and ongoing financial savings, and as such there is much emphasis on monitoring procurement performance against a comprehensive range of National Best Performance Indicators that are reported on an annual and quarterly basis.

- 3.4 Contract Administrators and their roles have been formalised with training being given in order that the performance of Contractors, Service Providers and Suppliers can be properly and more formally monitored and managed thus allowing more robust management information to be made available when extension, re-tendering and early termination decisions are required.

4 PROPOSAL

- 4.1 The reviewed Corporate Procurement Strategy, taken with the new eProcurement Strategy, address both the changes in the national procurement agenda and the internal changes to structure and procedures within the Council.
- 4.2 The Strategies recognise the requirement to open up business opportunities to the wider community by making access to information more readily available and transparent. The strategy includes the continued use of the National Advertising Portal (Public Contracts Scotland) for tendering opportunities and the adoption of the newly launched e-Tendering and Quick Quote systems, the latter being specifically designed to allow smaller value requirements to be targeted at the local SMEs, where appropriate.
- 4.3 The Strategies cover strategic Objectives, structure, collaborations, eTools, Financial Considerations, Corporate Social Responsibility, Information Management, acknowledge the difficulties, challenges and communication issues that exist and contain a revised Action Plan against which the performance of the Procurement function can be monitored.

5 PERSONNEL/FINANCIAL IMPLICATIONS

- 5.1 There are no personnel implications arising directly from the contents of this report.
- 5.2 There are no financial implications arising directly from the contents of this report.

6 LEGAL/POLICY IMPLICATIONS

- 6.1 There are no legal or policy implications arising directly from the contents of this report.

7 RECOMMENDATIONS

7.1 It is recommended that Cabinet:-

- (i) approve the implementation of the reviewed Corporate Procurement Strategy 2007 – 2010 and the new eProcurement Strategy 2008 - 2010;
- (ii) otherwise, to note the contents of this report.

Elizabeth Morton

Depute Chief Executive/Executive Director of Corporate Support

26th June, 2009

LIST OF BACKGROUND PAPERS

- (i) Corporate Procurement Strategy 2007 – 2010 Reviewed March 2009
- (ii) eProcurement Strategy 2008 - 2010

Members wishing further information should contact David Mitchell, Head of Legal, Procurement & Regulatory Services on Extension 6061