

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 20th MAY 2011

CORPORATE PROCUREMENT STRATEGY 2011-13

Report by Executive Director of Finance and Corporate Support

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Committee with detailed information pertaining to the Council's Corporate Procurement Strategy the implementation of which was approved by Cabinet on 20 April 2011.

2 BACKGROUND

- 2.1 In 2004 the Council produced its first Corporate Procurement Strategy which had been necessitated by impending fundamental changes to the general procurement function right across the public sector. The initial strategy has now been reviewed on two separate occasions in 2007 and 2009 during which time the procurement function has developed considerably and now encompasses not only the corporate procurement function but also the operation of the Council's e-procurement system (PECOS) and the corporate purchasing unit (CPU).
- 2.2 Since the last review of the strategy in 2009 all local authorities have been required to participate in a procurement capability assessment which also commenced in 2009. The impact and outcomes of the assessment process would, irrespective of any other requirement to review and update the strategy, merit a radical reconsideration of how the Council approaches procurement on a corporate basis. The outcomes of the assessment process in 2009 and 2010 have consequently resulted in the preparation of a procurement capability assessment improvement plan.
- 2.3 Members will recall that the outcomes of the 2009 assessment were considered in some detail at a presentation on 6 October 2010 by the Director of Scotland Excel, Dorothy Cowie. One of the outcomes of that meeting was that post the 2010 assessment the outcomes and consequent improvement plan would be submitted to the Council's Governance and Scrutiny Committee for consideration.
- 2.4 In addition to the assessment process the Scottish Government has also continued with the development of a suite of Best Practice Indicators (BPI's) which require to be reported on a regular basis and the strategy accordingly requires to encompass various outcomes pertaining to these indicators.
- 2.5 Ultimately the purpose of the strategy is to communicate East Ayrshire's vision for procurement in the effort to secure, as much as is reasonably possible, the wider economic, social and environmental objectives for our communities and meet the objectives of the Community Plan.

3 THE STRATEGY DOCUMENT

- 3.1 The reviewed Corporate Procurement Strategy accordingly seeks to address both the changes engendered by the ongoing development of the national procurement agenda and also internal changes to structure and procedures within the Council. The revised strategy is annexed hereto at Appendix A.
- 3.2 The Strategy recognises 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 enhanced use of the National Advertising Portal (Public Contracts Scotland) for tendering opportunities and the increased utilisation of 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.
- 3.3 The Strategy covers strategic objectives, structure, collaborations, eTools, financial considerations, corporate social responsibility, information management and sustainability issues and is supplemented at Appendix C by a detailed work plan.

4 THE PROCUREMENT CAPABILITY ASSESSMENT (PCA)

- 4.1 The PCA which is effectively sponsored by the Scottish Government is structured into eight separate areas of assessment being:
- Procurement leadership and governance;
 - Procurement strategy and objectives;
 - Defining the supply need;
 - Procurement commodity/project strategies and collaborative procurement;
 - Contract and supplier management;
 - Key purchasing systems and processes;
 - People; and
 - Performance measurement
- 4.2 East Ayrshire has now participated in two PCA's in 2009 and 2010. In 2009 the overall scoring achieved was 25% which put the Council towards the lower end of the conformance scale. In 2010 this increased to 34% which resulted in a placement well into the conformance scale and also increased the rating in two of the assessed areas into the improved performance grouping.
- 4.3 The Scottish Government has determined that it has an expectation that all local authorities should be attaining a score of 50% by the 2012 assessment. A comprehensive procurement capability assessment improvement plan which details a range of actions which will require to be advanced in all areas of the assessment has accordingly been developed with the aim of ensuring that the Council meets and potentially exceeds this target score. The plan, which, together with additional explanatory information, is annexed hereto at Appendix B, is challenging but its successful implementation will result in

further transformation of the procurement function to a mainstream Council activity.

- 4.4 The improvement plan ranges from the proposed regular attendance of senior officers at departmental management team meetings to the introduction of enhanced contract management arrangements. It is also intended that there will be considerably increased emphasis on the development of commodity strategy and supply management processes which will be regarded as an integral part of the contract management process. This should also facilitate more formal monitoring and management of suppliers which will in turn provide more robust management information to be utilised in procurement option appraisal..
- 4.5 As the procurement function within the Council continues to develop it is important to note that this can only be achieved with ongoing increased input to the function which should involve all both elected members and officers at all levels.

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 The Committee is asked to note the terms of the report.

Alex McPhee
Executive Director of Finance and Corporate Support

6 May 2011

LIST OF BACKGROUND PAPERS – Nil

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

Implementation Officer: David Mitchell, Head of Legal, Procurement and Regulatory Services



Quality | Equality | Access | Partnership

EAST AYRSHIRE COUNCIL
CORPORATE PROCUREMENT



East Ayrshire
COUNCIL

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KEY OUTCOMES INDEX

Corporate Social Responsibility & Sustainability:

- To improve opportunities for sustained development of our local communities

P11

Processes & Documentation:

- To standardise documents and procedures across the Council related to purchasing activities

P15

Collaborative Procurement:

- To use Public Information Hub and internal spend analysis to identify areas of opportunity for Collaborative Procurements
- Increased Collaborative Contracting

P16

Stakeholder Engagement & Communication:

- To ensure stakeholders are more fully engaged and informed in the Procurement Process

P18

E-Tools:

- To develop and adopt appropriate electronic information systems to drive efficiency and opportunity for Council staff and suppliers

P19

Governance & Efficiency:

- To critically evaluate the Councils current controls related to the purchase to pay cycle in terms of resolutions

P22

Contract & Supplier Management:

- Increased Contract and Supplier Performance through adoption of performance management

P23

People & Skills:

- To ensure that staff involved in the Procurement Process are competent and knowledgeable in current procurement practice

P27

INTRODUCTION

One of the central aims of all local authorities is to improve the quality of life of local people, the quality of the environment within which they reside and the local economy which is so significant to the overall success of an area which aims are articulated in East Ayrshire in the Council's Community Plan. In the UK as a whole some £42bn is spent by local authorities on goods and services annually and in the current economic climate it is essential that all local authorities seek to secure maximum value for money out of every public pound spent. It is for this reason that an ever increasing emphasis has been placed on procurement activities in the local authority sector with procurement being recognised as a catalyst to secure wider economic, social and environmental objectives for our community.

Accordingly East Ayrshire's Corporate Procurement Strategy seeks to communicate the Council's vision for procurement by setting out a structure from which all procurement activities can be managed and developed.

All Council Service Units are dependent upon external suppliers of goods, services and works for the provision of Council Services. Even where the majority of services are currently provided in-house, a range of goods, services and works are still procured externally in order to support the Service Provision.

It is therefore important that the Council reviews and develops its procurement policy for the future in line with the changes currently taking place within the public sector in Scotland and fully utilises the procurement expertise and experience within the Council to establish a coherent, comprehensive and integrated Procurement Strategy.

This Strategy sets out fundamental changes that will require to be made to the current structure/operational procedures and to lay down how the Councils approach to procurement will develop in the future, with a view to attaining Improved/Superior Performance in terms of McClelland Attributes and the Procurement Capability Assessment.

There is general recognition at all levels within the Public Sector in Scotland that procurement requires to have an integrated approach and standardisation of functions. Standardisation is being driven not only to comply with EU based legislation but also by the widespread introduction of e-technology. The Council has already started to take a more strategic approach by centralising and standardising its procurement procedures in respect of goods, services and works, as it is now seeking to build on these developments to further increase capability throughout the organisation. This approach will allow greater staff mobility and flexibility which will also assist SME's and other contracting organisations in terms of consistency of approach to contracting, tendering and ongoing contractual performance through the procurement lifecycle.

The Procurement Strategy recognises the Council's objectives in the context of the Scottish Government's agenda on Efficient Government and Shared Services¹, and in particular the McClelland Report - Review of Public Procurement in

¹<http://www.scotland.gov.uk/Topics/Government/PublicServiceReform/efficientgovernment/SharedServices>

Scotland² and The Audit of Best Value & Community Planning - Best Value Report³.

A major element of the McClelland Report, and to a certain extent the Efficient Government agenda, is the requirement for local government to develop in a number of key areas in respect of People, Process and Technology. This has laterally been measured in respect of the Procurement Capability Assessment process on an annual basis. The Council has made some initial progress in this respect and seeks to build on current capability and attainment with a view to developing an advanced procurement capability commensurate with the scale of the Council operation in relation to other benchmarked authorities. The combination of improved tendering procedures, collaboration and the roll-out of electronic tools will allow the Council to harness the combined buying power of local government to obtain value for money and improved services. Recognition of the national aims will achieve better local services and contribute to the effectiveness of procurement in Scotland as a whole. Improved Management Information (MI) from internal sources and the Scottish Procurement Information Hub will allow focussed improvements. It is intended that this information will drive awareness of current issues with a view to assisting in the development of targeted improvement actions.

Increased stakeholder engagement will not only develop greater working relationships and operational visibility at a tactical level but will assist in ensuring robust fit for purpose strategic decisions are made to strengthen our supply chain and communities alike. It is envisaged that greater levels of engagement in this respect will drive stronger contract specifications leading to better outcomes for the local taxpayer and service users whilst ensuring that suppliers are treated in a consistent and fair manner. In times of economic uncertainty sustainable procurement will become a major focus. East Ayrshire Council has a history of community enterprise and driving sustainable solutions via innovative contracting arrangements to support our communities via the Community Plan. An increased focus on environmental and sustainability issues will assist in our aspiration that our communities become more vibrant, cleaner, safer places to live and work. The ongoing use and development of community benefit clauses in appropriate contracts will assist the social economy to thrive with a view to increasing accessibility and development opportunities to the most vulnerable in our communities.

An increased focus on contract and supplier management will ensure that risk is identified, managed and controlled in a measured and appropriate manner across the spectrum of goods and services being procured. This is particularly important in turbulent economic conditions ensuring that suppliers are performing and developing in line with the Councils requirements whilst meeting contractual obligations. This is an area which requires considerable development and commitment from all service areas within the Council.

Whilst taking these matters into consideration it remains mandatory that the Council complies with all European⁴, UK and Scottish Procurement Legislation⁵.

² www.scotland.gov.uk/Resource/Doc/96269/0023302.pdf

³ www.east-ayrshire.gov.uk/portal.asp?URL=/06pf06ac.pdf&REF=http://www.east-ayrshire.gov.uk/announcements.asp

⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32004L0018:EN:HTML>

⁵ <http://www.opsi.gov.uk/legislation/scotland/ssi2006/20060001.htm>

Internal collaboration and the co-ordination of the purchasing function will ensure compliance with aggregation issues, eliminate off-contract spend, reduce administration costs, provide accurate management information, support e-procurement, reduce the supplier base and encourage standardisation of specifications, processes and applications.

Taking these matters into consideration the intention of the Procurement Strategy is to complement the Council's Standing Orders relating to Contracts⁶, taking into consideration the Community Plan⁷ and ensuring compliance with legislation and national objectives.

The Corporate Procurement Team will be responsible, under the guidance of the Head of Legal Procurement and Regulatory Services, for co-ordinating all Council Procurement Activity, disseminating information, providing expertise and advice on all aspects of procurement. A continuous programme of education/training will continue on a needs assessed basis for procurement and non-procurement staff to ensure an increased and sustained level of competence prevails in relation to implementation of policies and procedures.

The changes required to take forward the Strategy are addressed in depth in the following sections of this document.

DRIVERS FOR IMPROVED PROCUREMENT

There are a number of drivers of procurement, both at a local and national level. These include the need for:

- Increased Contract Compliance (through control of access to contracts and appropriate goods and services)
- Improved access and accuracy of procurement related management information as a basis for improved decision making
- Meeting nationally established Best Practice Indicators in relation to efficient procurement
- Maximisation of Councils leverage related to aggregated purchasing power
- Encouragement and realisation of collaborative procurement activities regionally and nationally
- Reduction in administration costs (paperwork, processing, postage, staff support etc)
- Reduction in transactional costs in the purchase to pay process
- Reduction in multiple processing and their associated errors
- Improvement in Supplier performance and quality of goods and services offered
- Improving transparency, accessibility and accountability in the procurement process
- Improving accessibility to local suppliers for Council contracts
- Improved planning and co ordination of annual contract/tendering requirements

⁶<http://www.east-ayrshire.gov.uk/councilcommittees/standing%20orders.pdf>

⁷http://www.eastayrshirecommunityplan.org/portal.asp?P_ID=1&URL=/cats/Community%20Planning/Community%20Planning%20Documentation/The%20Community%20Plan.pdf

- Improved control and compliance therefore reducing likelihood of breach of EU Public Procurement Regulations

BARRIERS TO IMPROVED PROCUREMENT

In addition to drivers there are a number of barriers to attaining *Improved Performance* in Procurement within the Council. These come in the form of both internal and external barriers, but mainly centre on change management and people issues.

- Acceptance of change by staff (new systems, new approaches and new technology)
- Readiness of local supplier base to adopt and embrace electronic procurement principles and processes such as electronic tendering, electronic ordering and electronic payments in a time of economic uncertainty
- Resource pressure from a perspective of staff development and workload associated (procurement and non procurement personnel)
- Internal staff resilience to process re-engineering to make necessary changes to facilitate attainment of *Improved Performance*
- Accountability related to procurement performance
- Suppliers current procurement capability and level of e-enablement
- Reliance on legacy systems and processes
- Costs related to creating an integrated purchase to pay and related systems

It is anticipated that through regular communication with staff the change management aspects of the development programme can be overcome, thereby allowing significant progress to be made in achieving the drivers of procurement. The subsequent outcomes will benefit a wide range of stakeholders including staff, suppliers and our service users to varying degrees.

GOVERNANCE & IMPROVEMENT

The operational and strategic procurement activities throughout all Services within the Council, as defined in this document will come under the remit of the Head of Legal, Procurement & Regulatory Services, with updates made to CMT and Cabinet as appropriate. Notwithstanding exceptional updates the process of making progress report to Cabinet with any strategic revisions will stand, with updates being made to CMT and Heads of Service via CMT meetings and Procurement Lead Officers Working Group meetings as appropriate.

Procurement Capability Assessment

The Council is committed to ensuring continuous improvement in its procurement capability. The Council has participated in the first and second years of the Procurement Capability Assessment programme for Local Authorities, endorsed by the Public Procurement Reform Board (PPRB) and the Scottish Government.

In terms of assessment there are 4 bands of attainment:

Non Conformance (0-24%)
Conformance (25-49%)
Improved Performance (50-74%)
Superior Performance (75%+)

The Council is assessed in 8 areas in terms of its Procurement Capability.

- Procurement Leadership and Governance
- Procurement Strategy and Objectives
- Defining the Supply Need
- Procurement Commodity/Project Strategies & Collaborative Procurement
- Contract & Supplier Management
- Key Purchasing Processes and Systems
- People
- Performance Measurement

Improvement Plan

The Council has and will continue to lead on and participate in the national Procurement Improvement Program workstreams, where appropriate, as a means of developing and implementing best practice throughout the organisation.

The Public Procurement Reform Board has set a target that all Local Authorities are to achieve Improved Performance by the 2012 procurement capability assessment cycle.

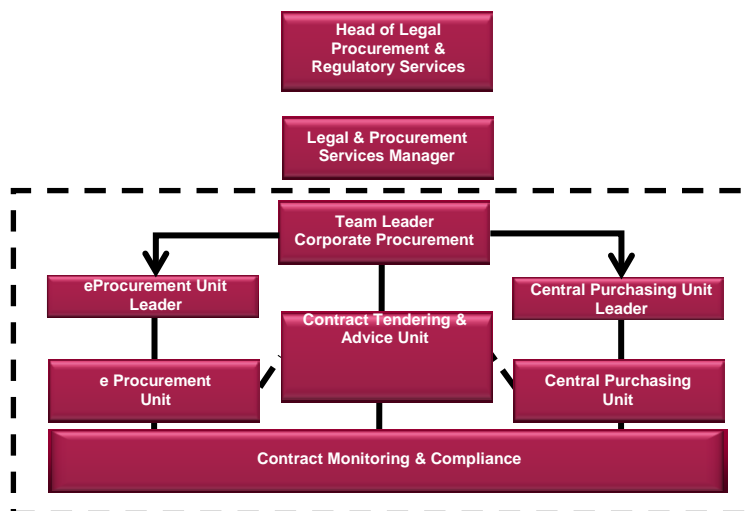
In this respect, in support of the Corporate Procurement Strategy and the Procurement Capability Assessment programme, the Corporate Procurement Team will develop a Procurement Improvement Plan related to the PCA outcome report, the outcome of which is a required attainment of Improved Performance in all areas by 2012 with attainment of Superior Performance in certain areas as deemed appropriate. The improvement plan will be presented to CMT and thereafter Cabinet to ensure that performance is monitored on an ongoing basis and is maintained in line with the Council's overall expectations and priorities. It is further intended that regular updates on the procurement improvement plan will be submitted to the Governance and Scrutiny Committee for consideration.

CORPORATE PROCUREMENT TEAM

The Corporate Procurement Team has fundamentally changed its structure and activities to include purchasing and electronic processes to implement the national programme whilst developing the skills level of non-procurement personnel. This development will continue. A strong, focused Corporate Procurement Team with the appropriate level of authority is fundamental in ensuring the success of the implementation of the programme of procurement improvement from a 'back office' process to a front line strategic and operational service assisting in delivering better service outcomes.

In order to deliver the strategic and operational requirements, the Corporate Procurement Team is comprised of focused elements:

- **STRATEGIC PROCUREMENT (Contract Tendering & Advice)**
- **MONITORING & COMPLIANCE**
- **OPERATIONAL PROCUREMENT (eProcurement Systems & Central Purchasing Unit)**



CONTRACT TENDERING & PROCUREMENT ADVICE

The strategic unit ensures that all European, National, Scottish legislation and internal standing orders are being complied with. It also submits the annual EU statistical returns on tendering activity.

This unit is also the Council’s representative with the Scottish Government and central procurement organisations such as Procurement Scotland, Scotland Excel and the Scottish Local Government Procurement Forum. The unit also takes the lead in collaborative projects and strategic sourcing exercises, in conjunction with the Central Purchasing Units. The Procurement Officers within the Corporate Procurement Unit also directly provide ongoing guidance and advice, over the contract lifecycle, for some key strategic contracts which are deemed of significant specialism or have an identified risk associated with them (for example long term waste management contracts, emerging technologies etc).

The unit remains focused on tendering in terms of both collaborative and stand alone procurement activities.

Corporate Procurement provides guidance and support to all Officers who are actively involved in procurement, from conception and market testing to award of contract and throughout the term of the contract.

CONTRACT MONITORING & COMPLIANCE

The Contract Monitoring and Compliance function is responsible for the ongoing audit and monitoring of all current contracts to determine compliance. Contract mobilisation assistance and liaison with service units will be provided post award. The contract monitoring function is key in ensuring a linkage between strategic and operational procurement ensuring that contracts are implemented and usage maintained by service units throughout the procurement lifecycle. This also includes monitoring on/off contract spends, aggregation, non-compliance risk monitoring and liaison with the Internal Audit function.

The Contract Monitoring and Compliance function is responsible for supporting the Corporate Procurement Team in respect of maintenance of the web based information tools and corporate contract registers, maintaining and collating BPI returns and co-ordinating Scottish Procurement Information Hub updates and downloads.

OPERATIONAL PROCUREMENT CENTRAL PURCHASING UNIT (CPU)& EPROCUREMENT SYSTEMS UNIT (ePS)

The Central Purchasing Unit (CPU) is now staffed and will continue to develop in terms of commodity and service coverage in a controlled manner. The CPU will provide operational support to services whilst taking the lead on commodity strategies, contract and supplier management activities. The CPU will liaise with non-procurement staff involved in purchasing activities and provide support and assistance where required to Contract Administrators within Service Units but will refer to the Procurement Officers for specialist advice and guidance where appropriate. For Corporately used contracts the CPU staff will act as Contract administrators. The CPU will act as Service Liaison for operational matters, attending team meetings, gathering supplier and contract data and facilitating Internal Focus Groups. The CPU staff will also represent the Council on UIG at Sectoral and National levels as appropriate.

The primary purpose of the CPU is to ensure that all purchasing activities comply with the guidelines and procedures laid down in internal Standing Orders and detailed in the Corporate Procurement Strategy, as approved by Cabinet.

The Central Purchasing Unit works in collaboration with the ePS Unit in terms of the implementation and maintenance of the eProcurement system and related eTools which are used by staff.

On an external basis the ePS Unit will continue to work with suppliers to enhance their electronic purchasing capability and ensure that they can utilise latest technology being implemented by the Council in terms of Purchase to Pay (P2P). As this technology develops and becomes more readily available the function will assist service units in increasing their adoption of eTools. Since the integration between the purchasing system with the Councils Financial system to give true end to end Purchase to Pay (P2P) system, the ePS function acts as a liaison between Procurement and Finance in P2P matters.

CAPITAL BUILD PROCUREMENT

Procurement have nominated a dedicated experienced Officer to be a core member of the Transitional Programme Team as part of the drive to introduce cost efficiencies and standardisation in procurement within the capital build program.

This Officer has the responsibility of liaising with operational teams and Asset Improvement Service to plan, source, order and schedule delivery and/or installation related to furniture, loose equipment and some fixed items for capital build projects.

KEY OUTCOMES

Key Outcome 1: CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

• SME/THIRD SECTOR/VOLUNTARY SECTOR DEVELOPMENT

East Ayrshire Council is registered as a supporter of the Scottish Government Suppliers Charter which facilitates access to public sector procurement opportunities.

The Council Buyer Profile is available to the public on both the Council internet pages and on the Public Contracts Scotland, alerting businesses to the way we procure goods, services and works contracts. This is now the only way in which the Council advertises opportunities and publishes award notices.

Where possible and in line with European, National and Scottish procurement legislation, East Ayrshire Council will make every effort to support SME's by actively promoting contract packages and strategies that allow them to compete for business opportunities.

This will include:

- lobbying of Procurement Scotland and Scotland Excel to take our local SME community into account when implementing contract packages.
- Increased, where possible, social economy measures will be integrated into tender selection criteria to ensure employment opportunities are provided either directly by contractors or through sub contract opportunities.
- Once functionality is available, East Ayrshire Council will make it a mandatory term and condition of award that for all successful contractors requiring subcontract assistance that such opportunities are made available via the Public Contracts Scotland Portal, to ensure increased opportunity for the SME community whilst ensuring transparency in the procurement process flows through the supply chain to sub-contractors.
- Where practical, the Central Purchasing Unit will endeavour to source sustainably with SME's when using the existing Quick Quote System.
- Further engagement will continue to ensure that information on purchase enabled suppliers is regularly communicated to the supplier development programme and economic development teams to provide targeted development opportunities with a view to increasing the possibility for local organisations to secure awards either directly or via sub contract opportunity.
- The Procurement Team will continue to support the Supplier Development Programme including presentations at 'Meet the Buyer' events, both locally and regionally.
- Guidance will continue to be provided via the internet and email upon request in relation to accessing public sector business opportunities.

The Council fully recognises the importance of SME organisations and actively encourages participation in all tendering opportunities, where possible, whilst identifying and managing associated procurement risk.

Where practicable, contract notices placed in the public domain are now advertised in the National Advertising Portal www.publiccontractsscotland.gov.uk where SME's are encouraged to register their specific areas of interest and receive alerts when notices are placed for their business portfolio.

- **SUSTAINABLE AND ENVIRONMENTAL PROCUREMENT**

Corporate Procurement strives to adopt the principles on the Government's Scottish Procurement Policy Handbook⁸ and in particular the procurement role in Corporate Social Responsibility.

East Ayrshire Council is committed to ensuring that all goods and services are sourced within sound environmental guidelines in accordance with the Council's Sustainable Development and Economic Development Strategies. Every effort will be made to ensure that all service units within the Council comply with the recommendations of the Scottish Government on sustainable procurement.

Procurement will include within the Standard Terms and Conditions reference to sustainable terms and conditions and methods of selection to encourage those tendering for contracts to review, develop and include their own policies in respect of environmental protection and community development. The Council will endeavour to work with existing suppliers to improve their environmental processes and supply chain.

It is the responsibility of all service units within the Council to ensure a statement on the use of re-cycled materials is included, where possible, when determining the specification for goods, assuming there are no adverse effects on quality, performance or Health and Safety. Procurement will also promote the use of energy efficient equipment and appliances through both specification writing and when recommending purchase options. Community development and social enterprise considerations will also be implemented in tendering, where appropriate.

Corporate Procurement will continue to identify priorities in collaboration with the Councils Sustainability Action Group in terms of completing the Sustainability Self Assessment and developing an appropriate Sustainability Action Plan in relation to Procurement to ensure ongoing development and compliance.

The Corporate Procurement Team will take a 'Whole Life Cost' approach when making purchasing decisions with a view to improving the long-term consumption/running costs, recyclability and ultimately the disposal of products.

The Government's strategic objectives of Wealthier and Fairer, Smarter, Healthier, Safer and Stronger and Greener will be reflected in both local and collaborative procurement projects, by ensuring that the appropriate award criteria and weightings are applied to each project.

- **COMMUNITY BENEFIT**

Corporate Procurement activities will continue to develop opportunities to include community benefit clauses in contracts and ensure appropriate selection criteria are used where appropriate. Internal stakeholders will be briefed to ensure they are made aware of and consider inclusion of such opportunities when developing contract specifications. In support of the Community Plan, particular focus will be given to creating employment and training opportunities (including retraining and 'restart' opportunity for long term unemployed), creating inclusive policies, engaging

⁸ <http://www.scotland.gov.uk/Resource/Doc/256155/0076031.pdf>

with local communities and providing sustainable growth and development opportunities for the most vulnerable people in our communities.

- **HEALTH & SAFETY**

Through the Procurement Pre-Qualification Questionnaires and Conditions of Contract, the Council will strive at all times to deal only with responsible and competent suppliers/contractors/service providers, who can demonstrate an active policy on H&S. Suppliers/Contractors and Service Providers will be required to provide evidence of a H&S Procedure and compliance with the Health and Safety at Work Act 1974, Construction (Design and Build) Act 2007 etc. and any appropriate legislation and subsequent amendments as part of all formal tendering activity.

As stated in the Health & Safety Executive's web site 'Wider promotion of health and safety using non-legislative routes to improvement, especially in lower risk areas, has a vital complementary role, not least in reaching small-and medium-sized enterprises (SMEs). It also helps build understanding that well-managed health and safety brings business benefits.'

In relation to construction contracts, only companies who are accredited with the site safety in Procurement (SSIP/CHAS Construction line etc) will be considered for Council works type contracts.

- **EQUALITY**

The Council will, at all times, strive to deal equally and ethically with all suppliers and will not discriminate on grounds of race, religion, disability or gender. Where appropriate, the Procurement Team will support a social and environmentally ethical approach when sourcing goods or services. As stated in the Procurement Conditions of Contract, all suppliers are required to conform to all statutory provisions covering equality.

The Council will expect acceptable standards of business ethics and conduct from those suppliers/contractors/service providers who are invited to tender and who may be awarded business in the future. They must fully comply with all legal obligations and procurement procedures detailed within the (Public Contract (Scotland) Regulations 2006). The Council's Corporate Procurement PQQ Form includes a section to allow potential suppliers to provide details of their company's ethics policy.

- **APPRENTICES**

Recognition will be given to those suppliers who can present details of having an established apprentice and young person training scheme in place, or where a company can provide evidence of intent to initiate such a programme to develop skills and provide an effective qualification. Award criteria will also include reference to apprenticeships, where appropriate.

- **SHELTERED WORKSHOPS**

The Council recognises its obligations to encourage Sheltered Workshops and Businesses to compete for business. Where Sheltered Workshops and Businesses have a niche product that matches a specific requirement Corporate Procurement will ensure that the contract award criteria includes an element of social

responsibility, which will be taken into account in the tender evaluation process, where appropriate to the specific requirement.

Main Contractors are also encouraged to utilise Sheltered Workshops by way of social responsibility contract award criteria in the tender process for specific requirements, where it is known that the requirement is met by Sheltered Workshops and Businesses.

- **REGISTERED SOCIAL LANDLORDS**

The Council will collaborate, in the interest of both parties, with other Residential Social Landlords to procure mutually beneficial arrangements for affordable housing and other community benefits.

KEY OUTCOMES

To improve opportunities for sustained development of our local communities in terms of:

- Improved accessibility to training and employment opportunities
- Improved access for local suppliers to contracting opportunities to the wider public sector
- Development of safer, cleaner, accessible and sustainable outcomes in the tendering process.
- Reduced environmental impact of Council activities from a physical perspective.
- Increased Community Benefit resulting from Council procurements

KEY OUTPUTS

- **Further Development of standard documents in relation to:**
 - Sustainability Working Group Development
 - Increased usage of Community Benefit Clauses in contract Terms & Conditions
 - Improved Performance in relation to Sustainability Self Assessment and achievement
 - Progress Sustainability Action Plan related to Procurement
 - Demonstrable reduction in Environmental impact of activities in local community.

LINKS TO NATIONAL BPI

- BPI 5 : Compliance with good procurement practice
- BPI 6 : Continuous Improvement
- BPI 4: Effective Contracts

Key Outcome 2: PROCESSES & DOCUMENTATION

Through standardisation of approach there should be consistency of application and a greater degree of understanding of processes. Standard approaches will ensure that staff remain flexible from a mobility perspective whilst suppliers receive consistent support, guidance and treatment regardless of which services they may be interacting with. It is envisaged that by standardising process documentation related to procurement that significant progress will be able to be made in achieving our goals. It is also envisaged that the application of these processes will become accepted through an increased level of understanding and awareness.

KEY OUTCOMES

To standardise documents and procedures across the Council related to purchasing activities

- To further develop standard documents in relation to procurement for use by all Council staff in relation to purchasing matters
- To streamline service processes through business process reengineering to make best use of efficient procurement routes
- Facilitate service unit access to collaborative purchasing arrangements via the eprocurement system to achieve best value purchasing and maximise efficiencies available.

KEY OUTPUTS

- **Further Development of standard documents in relation to:**
 - General Purchases Terms & Conditions
 - Collaborative Procurement Guidance
 - Purchasing Procedures
 - Request For Quotation Forms & Procedures
 - Contract Review Forms
 - Contractor Performance Forms
 - Prompt Payment Certificates (to support SME cashflow)

LINKS TO NATIONAL BPI

- BPI 5 – Compliance
- BPI 6 – Continuous Improvement
- BPI 4 – Communicating effectively and ensuring productive stakeholder and customer relation

Key Outcome 3: COLLABORATIVE PROCUREMENT

The Council will continue to build on existing inter authority relationships whilst seeking and developing new collaborative opportunities at a local, national and cross sector level building on commitments pre and post the McClelland Report. The Council will continue to support collaboration at a sectoral and national level by participating where Best Value is demonstrable in contracting opportunities.

After a review of the initial 3 year participation period, East Ayrshire Council has committed to continued participation with Scotland Excel as a means to delivering collaborative procurement solutions provided they represent Best Value benefit realisation for the Council. The level of annual membership fee paid to Scotland Excel is to decrease from £84,995 (2010/11) to circa £82,785 for the financial year 2011/12 which reduction is as a consequence of internal restructuring within Scotland Excel.

It is recognised that there is general difficulty in accurately identifying and calculating direct financial savings arising from procurement activity and that also applies equally to the utilisation of Procurement Scotland (Category A) and ScotlandExcel (Category B) procured contracts. Notwithstanding the direct financial savings issue it should also be noted that the ability of East Ayrshire Council, in common with the remainder of the Local Authority sector in Scotland, to utilise all contracts procured by both centres of expertise is a valuable resource the procurement of which contracts on an individual basis could prove problematic and expensive.

Notwithstanding East Ayrshire's ongoing participation in Scotland Excel it should be noted that membership does not equate with an absolute obligation to utilise all Scotland Excel procured contracts as all participating authorities retain the entitlement to make alternative arrangements on a best value analysis. However, it is important that in circumstances where the Council has agreed to participate in any particular contract that all purchasing activity for that commodity or service be carried out within that contract as to do otherwise could leave the Council open to proceedings for breach of contract.

Scotland Excel has procured numerous framework agreements that the Council take advantage of thus saving internal resources that can be deployed in other areas of the procurement improvement programme and in particular the increasing number of tenders required by Departments generally and in particular Asset Improvement Services and Roads & Transportation.

Scotland Excel also acts as a national hub and communicates on our behalf with other public bodies and the Scottish Procurement and Commercial Directorate. A comprehensive range of training opportunities can also be accessed by officers and members of the council.

In terms of the Scotland Excel agreement the Council's ongoing membership continues until at least March 2013, as a full 1-year's notice is required of any intention to withdraw. Such notice would therefore require to be made prior to April 2012. Scotland Excel's performance will continue to be monitored on an ongoing basis and a full review undertaken in February 2012 to establish whether best value is being delivered by continued membership.

The Council will continue to make procurements arrangements locally and in collaboration with other Councils and partner organisations, as appropriate.

The Scottish Procurement Information Hub will primarily be used to identify areas of opportunity for collaborations of such nature. Regular meetings with other organisations will continue in a bid to maintain close working relationships and mutual capability development.

KEY OUTCOME

To use Public Information Hub and internal spend analysis to identify areas of opportunity for Collaborative Procurements

- To gather management information to allow informed decision making in relation to identification of collaborative opportunity
- To allow categorisation of activities and develop tailored solutions on a best fit basis for collaboration
- To identify in a proactive manner future contract requirements

Increased Collaborative Contracting in respect of:

- Procurement Scotland (National / Cross Sector) (CAT A)
- Scotland Excel (Regional LA) (CAT B)
- Local & Cross Sectoral Collaborations (CAT C1)

The Council will continue to collaborate regionally, in the main, but not restricted to the other two Ayrshire Councils, NHS, Residential Social Landlords and other organisations where there are mutual benefits to all the participating parties.

KEY OUTPUTS

To Establish Procurement Information Reports and utilise to identify Collaborative Opportunity and Manage existing arrangements

- Management Information (MI)
 - Collaborative Contract Coverage Reports
 - Analyse & Identify Future Contract Opportunities
- Commodity Plans to be developed with a view to collaboration where possible

LINKS TO NATIONAL BPI

- BPI 5 : Compliance with good procurement practice
- BPI 6 : Continuous Improvement
- BPI 4: Effective Contracts
- BPI 4 - % of procurement channelled through collaborative contract

Key Outcome 4:STAKEHOLDER ENGAGEMENT & COMMUNICATION

Communication of strategic procurement matters within the Council is primarily through the Senior Officers Procurement Working Group chaired by the Head of Legal Procurement & Regulatory Services. Agendas and minutes of meetings are circulated widely to all Directors, Heads of Service and those who have an interest in procurement across the Council departments.

A Procurement Bulletin is periodically circulated across the departments and in particular to the same circulation list as the Senior Officers Procurement Working Group but with the addition of all Contract Administrators of term contracts and Framework Agreements. The subject matter of the Bulletin includes national developments at Procurement Scotland and Scotland Excel level, along with developments at an Ayrshire and local level. This information is also available on the Council website.

In order to ensure that communications are targeted appropriately and non procurement staff remain engaged in the procurement process additional inputs and feedback mechanisms will be developed, moving procurement into a more proactive front line role. A number of ongoing initiatives will be further improved upon in this regard.

KEY OUTCOME

To ensure stakeholders are more fully engaged and informed in the Procurement Process:

- Procurement becomes a more involved and visible service
- Non Procurement staff engaged in decision making process
- Staff have feedback opportunity during contract lifecycle – early risk identification and mitigation
- Staff are more aware of Procurement decision making process
- Increased knowledge, understanding and compliance
- Supplier Community has information related to opportunity, visibility and accessibility of contract opportunities
- Improved and more appropriate contract specifications / procedures

KEY OUTPUTS

- Head of Service Liaison Meetings
- Operational Service Liaison meetings
- Procurement Focus Groups / UIG involvement
- Staff Surveys
- Revised Intranet pages for Staff (with contract, commodity, supplier key details for onestop reference purposes for staff members)
- Procurement Bulletins (for technical and non technical staff)
- Revised Procurement Internet pages for Public
- Online Supplier Reference Guides

LINKS TO NATIONAL BPI

- BPI 9 – Adopting an end to end eprocurement service
- BPI 5 – Compliance
- BPI 6 – Continuous Improvement
- BPI 4 – Communicating effectively and ensuring productive stakeholder and customer relation

Key Outcome 5:ETOOLS

It is the continuing aim of East Ayrshire Council to make the whole procurement cycle less costly yet more efficient to manage, whilst increasing accessibility to commercial community whether they be SME, large enterprise, voluntary or not for profit in origin.

By adopting such an approach it is expected that improvements will be made on the already robust practices which the Council employ to ensure equity whilst simultaneously increasing vendor confidence and experience in responding to opportunities

eSourcing /eTendering& Public Contracts Scotland (PCS)

The Council is committed to the continuing implementation of dynamic trading tools including in the first instance electronic tendering and/ or electronic auctions. Adoption of such systems has allowed greater efficiency in the tendering process through reduced cycle times in administration. Standard forms and templates are used on tender documents and the Public Contracts Scotland PQQ process continues to be embraced as it develops its functional capability including adoption of the National PQQ.

The Council has taken the approach that, where appropriate, contract opportunities above £30k will be advertised on the Public Contracts Scotland System. Additionally all quotations above the £500 threshold will be made via the 'Quick Quotes' functionality of the PCS system, where practicable. Procurement will approve and train officers prior to permissions being allocated to use the Quick Quotes system. Where this is not possible all requests will be conducted via the CPU.

This process greatly increases transparency and opportunity for the supplier community and puts SME in a comparable market with larger enterprises through an equal opportunity to register commodity interest via the National Portal and thereby subsequent auto notification by tender classification should such opportunities arise. The Procurement Team has and will continue to actively promote the system both internally, at stakeholder meetings, and to local suppliers, at meet the buyer events, as a means to increasing accessibility and through the Joint Ayrshire SME guidance which is available on the internet.

Electronic tendering has economic benefit by reducing, where possible, time related to Pre qualifications, criterion based assessment and numerical evaluation stages. This will be further assisted in future with all suppliers registered on PCS afforded the opportunity to register a 'national standard PQQ' proforma, reducing admin burden on SME, thereby increasing further their trading opportunities. Moreover, with greater efficiency and automated systems notifications, tendering parties should have greater access to information related to their own submission at each stage from tender receipt through to evaluation. It is expected that greater transparency and standardisation will increase general understanding of the process of tendering and thereby reduce the potential for subsequent award challenge by tendering parties. It is anticipated that revised data archiving will allow more efficient recovery of data should the need arise in terms of Freedom of Information requests, data analysis and strategic sourcing analysis. Data archiving should be less demanding on physical storage space required to archive

etender documents as opposed to their traditional paper counterparts. For legacy long term contracts however, the Council faces the ongoing challenge of long term data recovery through software and hardware compatibility of future generations. This however is an issue across the Council which will require a long term solution.

Purchase to Pay (P2P)

East Ayrshire Council is committed to developing a variety of Purchase to Pay solutions as part of a diverse and efficient Purchase to Pay suite to allow flexibility of purchasing methods for the Council and a variety of payment methods for trading organisations.

Adoption of a full purchase to pay (P2P) solution will not only reduce administrative burden and associated costs to the Council. It will make the whole purchase to pay process more efficient and flexible for both the Council and suppliers. A full flexible P2P solution should reduce the administrative burden to large organisations who can take advantage of electronic systems whilst simultaneously assisting smaller organisations by offering payment solutions which meet their needs ensuring that there is an appropriate balance between their cash cycle and that of the Council. A flexible solution will allow participation regardless of organisation size, thereby creating organisational equality and opportunity. Automation and electronic processing will allow the Council to spend less resource on routine transactions and redirect that resource towards reducing problematic transactions or suppliers. P2P technology will also allow the Council the opportunity to make payments quicker which will be of particular benefit to SME. Additionally, payment options and early settlement opportunity may allow the Council to leverage competitive rates when contracting.

In order to ensure efficiency, appropriate use and implementation of each solution a Purchase to Pay strategy will be developed to ensure that guidance is available for each scenario detailing what is appropriate and acceptable technology use in given circumstances, by supplier type, service area and commodity.

KEY OUTCOMES

To develop and adopt appropriate electronic information systems to drive efficiency and opportunity for Council staff and suppliers:

Public Contracts Scotland

- Increased Visibility of Opportunity for Supplier Base, including SME.
- More Transparent Sourcing Process
- Consistent Process for Tendering and PQQ
- Linkage to Procurement Information Hub for analysis.

Purchase to Pay

- To work with local suppliers and involve SME to achieve their own efficiency whilst encouraging participation in the Councils electronic P2P program
- To support local voluntary, not for profit and community organisations in building their eprocurement capabilities in order to work collaboratively with the Council to ensure maximum efficiency of publicly funded projects.
- To complete the cycle of opportunity by adopting invoicing and epayment methodologies for suppliers, where appropriate, via adoption of procurement cards and increase of BACS payments thereby reducing the cash cycle of local businesses.
- To develop systems for regular monitoring and control of expenditure made by alternative payment solutions

KEY OUTPUTS

ETools

- Increased number of electronic expressions of Interest, PQQ submissions including those from Local companies and SME.
- Standard tendering / PQQ / T&C communications pack.

P2P

- P2P Strategy detailing which method to use and when

In this respect East Ayrshire Council is committed to piloting, developing and implementing, where appropriate P2P technologies including:

- Electronic ordering (available to all services),CXML ordering, Supplier Punchout, Purchase /Payment Cards (requires expansion to areas of SW, AIS & HAS)
- Payment options to extend a full suite of payment solutions where appropriate to include: CXML (electronic) Invoicing, Consolidated Invoicing (already in place) Supplier Self Billing, Government Procurement Cards, BACS (already in place), Pre Paid Payment Cards
- Increased number of local suppliers and SME enabled on eProcurement system
- Efficient controlled internal processes which meets needs of supplier base regardless of size
- Supplier guide to procurement for SME and not for profit organisations.
- Reduced payment cycle for SME

LINKS TO NATIONAL BPI

- BPI 1 – Provide a value for money service that delivers financial savings
- BPI 9 – Adopting an end to end eprocurement service
- BPI 3 – Encouraging participation, collaboration and sustainable economic growth.
- BPI 4 – Communicating effectively and ensuring productive stakeholder and customer relation

Key Outcome 6: GOVERNANCE & EFFICIENCY

It is essential that whilst flexibility is built into systems to take advantage of the various methods of purchasing and payment to allow full effective adoption of electronic systems that the Councils control posture is not compromised. Control and audit should always remain the focus of the Councils purchase to pay procedures. In this regard it is essential that current procedures and methods are reviewed to ensure that they reflect and embrace latest technology and conversely that technologies adopted be reviewed to ensure that controls are not compromised.

KEY OUTCOMES

To critically evaluate the Councils current controls related to the purchase to pay cycle in terms of resolutions:

- To ensure that purchase to pay procedures are in line with the Councils intended strategies and aspirations to maintain control yet maximise efficiency in process times and costs
- To critically review the Councils Standing Orders related to Contracts and Financial Regulations to ensure that adoption of emerging technologies and capabilities are not unnecessarily hindered
- To maximise efficiency and provide benefit within the Councils back office systems and processes in collaboration with traditional and existing activities.
- To ensure that Procurement control and procedures continue to be a focus of the internal audit process

KEY OUTPUTS

- Integrated end to end purchase to pay workflow and procedures
- Revised standing orders and Financial Regulations to take account of available and emerging technologies to allow more efficient transaction handling.
- Procurement Audit Plan / Input to Internal Audit Process

LINKS TO NATIONAL BPI

- BPI 1 – Provide a value for money service that delivers financial savings
- BPI 9 – Adopting an end to end eprocurement service
- BPI 5 – Compliance
- BPI 6 – Continuous Improvement

Key Outcome 7: CONTRACT & SUPPLIER MANAGEMENT

Through improved data collection, as a result of the information afforded by the electronic purchasing system and the integration with the Finance System as part of a P2P solution, increased visibility and control of spend is proving increasingly useful in highlighting attainment and opportunities for improvement. With this information it will be possible to make better proactive decisions on a Council wide basis in respect of contract compliance by early identification of contracting requirements for noncontracted commodities or services, improved contract coverage and compliance in time, prioritisation of risks (suppliers and contracts). This will assist in minimising the Council legal exposure in respect of EU Procurement Regulations, whilst at the same time allowing opportunities to be realised in respect of improved terms through an increased focus on Supplier and Contract Management.

Additionally, service unit managers will have a greater degree of visibility of purchasing activity within their services allowing proactive decision making and analysis of operational budgets assisted by real time procurement reporting specific to their service area.

Spend analysis will also be able to be used in a reactive manner to highlight areas of off contract spend and to identify purchasing patterns to inform and improve future approaches to procurements on a commodity or service unit basis.

• VENDOR APPRAISAL / CREDIT RISK

As part of the Council formal Contract Tendering Procedures and in line with European, UK and Scottish Legislation it is incumbent on the Procurement Officers to complete a detailed evaluation, including a financial assessment, of every potential tenderer and Preferred Bidder prior to Contract Award, all as detailed in the Procurement Map. Ongoing Supplier Management will also form part of the role of the Central Purchasing Unit following Contract Management procedures

• CONTRACT REGISTER

East Ayrshire Council maintains a comprehensive Contract Register which is available internally for compliance, risk, contract administration and procedural management purposes, with a filtered version being available externally for FOI, information and opportunity identification purposes by the public.

In addition relevant contract information is updated to the Procurement Information Hub.

• CONTRACT MANAGEMENT & RISK MITIGATION

The Council is committed to developing Contract & Supplier Management protocols to ensure Contract Compliance and Best Value achievement throughout the contract lifecycle. The Corporate Procurement Team in collaboration with Internal Audit will continue to monitor and drive contract compliance in respect of above threshold Procurements.

Contract Management is key in ensuring that suppliers are exercising their duties in relation to the awards made. It is also key to ensuring that Heads of Service are

exercising their duties to ensure staff are operating services in compliance with existing arrangements. Risk of failure in relation to contracts (in part or whole) must be minimised in a proactive manner where appropriate. Given resource implications in this respect a scaled yet documented approach to contract and supplier management will be developed to ensure High Risk suppliers and contracts / commodities are managed on a more focussed basis than their low risk counterparts.

In this regard a Supplier and Contract Management Strategy will be developed for implementation on a Council wide basis, led by the Corporate Procurement Team, managed by the CPU, Heads of Service and identified Contract Administrators (delegated non procurement personnel) throughout the Council.

Procurement will liaise with the Council Risk Management Team to ensure that potential contractors have the required insurances in place prior to any award of contract.

- **CONTRACT COMPLIANCE**

Contract Compliance is key to ensuring efficiencies are met and the Council is protected from legal challenge in respect of EU Procurement Regulations. In this regard, compliance will be monitored on a routine and adhoc basis and non compliance will be identified to Head of Service and/or Director level as appropriate for corrective action to be taken. Where persistent non compliance is noted, and remains unchecked, report will be made to Governance and Scrutiny Committee for further consideration and action.

- **CONTRACT ADMINISTRATION**

For those contracts, where the goods or services are used by multiple services, the Contract Administration function will be performed by the Central Purchasing Unit (CPU) where no Lead Client/ Contract Administrator has been assigned. Contracts which are of a particularly technical or specialised nature such as Social Care, Vehicle Hire, IT Software etc, will be managed by department based specialist resources, whilst still using the standard procurement procedures. Such staff are identified as Contract Administrators. Corporate Procurement will continue to provide targeted training to such staff as a means to ensuring maintained and increased competency in respect of local procedures, standing orders, national guidelines and EU Procurement Regulations.

The CPU will take the lead on Contract & Supplier Management utilising the Council's purchasing system, a scorecard approach and the internally developed web based portal for recording of non conformance information and generally how the supplier performs in relation to their contracted duties. All feedback from end users will be duly recorded and actioned as required. Contract Administrators will be responsible for managing contracts and agreements with suppliers to ensure the Council is continually receiving Best Value. Where there are issues that cannot be resolved by the Contract Administrator these should be referred back to the Procurement Team who will take the appropriate actions in support of the Contract Administrator

- **MANAGEMENT INFORMATION REPORTING / COMPLIANCE**

In addition to existing budget management reporting afforded by the Finance Service, Procurement will continue to develop and publish reports to Senior Management and External Audit, mainly on a Financial Period basis in respect of:

- Current Period Spend
- Year to Date Spend
- Variance Reporting
- Top Supplier Spend
- Top Commodity Spend
- Compliance Data

Heads of Service will continue to receive timely management information specific to their service with Directors receiving summary information related to same. Corporate Summary data and improvement plans will continue to be entered into the Councils Corporate Performance Management System 'Corvu'.

The CPU will work with services to ensure that their performance continues to improve by hosting regular development and liaison sessions, highlighting and facilitating improvement in areas of non conformance.

- **BENCHMARKING**

Similar to Best Performance Indicators (BPIs) benchmarking will consist of ongoing monitoring of suppliers' performance, costs, quality, service etc, and regularly comparing them with other organisations, the market place or other providers of the same goods or services.

The purpose of benchmarking is to help achieve greater efficiency by regularly comparing internal aspects of performance with best practice, by identifying gaps in performance and procedures, by seeking fresh, innovative approaches to allow continuous improvements and by implementing these improvements.

In particular benchmarking will be used to gauge the effectiveness of nationally procured contracts and reported savings to establish what the Council Best Value options are. Where better performance is met in terms of contract and supplier performance or indeed procurement capability performance, collaborative learning opportunities will be sought to establish best practice as a means to process improvement.

- **PROCUREMENT INFORMATION HUB**

The SPIKES CAVELL 'Observatory', or Scottish Procurement Information Hub will be used on conjunction with eProcurement Reporting, Finance Reporting and the Councils Corporate Contract / Risk Register to improve, maintain and control contract compliance, service deliver internal KPI and external BPI measurements. Specialist buying centres such as Plant and Vehicle Hire and in some instances the suppliers of specific contracts will also be expected to make available statistical information as requested by Procurement. This information will be used as both part of the overall Contract Management and to set Best Performance Indicators for suppliers.

KEY OUTCOME

Increased Contract and Supplier Performance through adoption of performance management principles:

- To gather management information to allow informed decision making in relation to prioritisation of procurement initiatives
- To allow categorisation of commodities and develop tailored solutions on a best fit basis for compliance and efficiency
- To identify in a proactive manner future contract performance requirements
- To quantify and Improve Contract and Supplier Performance
- Minimise Risk related to contract non compliance

KEY OUTPUTS

- Improved Contract Register
- Risk Register
- Non Conformance Reports
- Increased Contract Coverage
- Up to Date Procurement Reports
- Commodity Plans
- Commodity Strategy
- Supplier Management Procedure / Strategy

LINKS TO NATIONAL BPI

- BPI 5 – Compliance
- BPI 6 – Continuous Improvement
- BPI 4 – Communicating effectively and ensuring productive stakeholder and customer relation

Key Outcome 8: PEOPLE AND SKILLS

It is important to ensure that staff remain skilled and knowledgeable in procurement matters. In this regard it is intended that an ongoing state of improved procurement competency will be developed and maintained for procurement and non procurement personnel alike, as procurement continues to permeate the organisation and develops into every day front line operational activity.

• Competency for Procurement Personnel

It is important to East Ayrshire Council that personnel have the appropriate skills to conduct their roles and responsibilities to greatest effect. In line with the EAGER (East Ayrshire General Employee Review) process all procurement staff are being assessed using a procurement competency framework, with competency being assessed against needs specific to their personnel development requirements related to their current role.

The Council will review and develop staff competency with learning and development needs being identified within the employees EAGER profile and being addressed by means of CIPS, external and internal training and development routes.

• Competency for Non Procurement Personnel

In addition to the Corporate Procurement Team the Council continues to utilise its Contract Administrator role as a linkage between operational specialism and the CPU. With this in mind a set of basic awareness workshops and training sessions have been developed to ensure that the Contract Administrators are proficient and knowledgeable in general procurement areas relevant to their extended duties. Procurement Officers will provide Learning & Development courses on Procurement related matters as part of the wider Corporate approach to ensuring staff competence.

• Competency for Elected Members

Whilst not involved in day to day procurement or operational service matters it is important that Elected Members are aware of the role of Procurement and the Councils Statutory and Legislative obligations in relation to procurement activity. In this regard in respect of their continuing Professional Development, Elected members are invited to workshops and training sessions on procurement issues.

KEY OUTCOMES

To ensure that staff involved in the Procurement Process are competent and knowledgeable in current procurement practice

To ensure that :

- Procurement Personnel
- Non Procurement Personnel
- Elected Members

have an appropriate current and maintained skill set in order to exercise procurement related duties as relevant to their roles and responsibilities.

KEY OUTPUTS

- Appropriately Qualified Procurement Staff
- Procurement Competency Framework extended to non procurement staff
- Training & Competency Log
- Integration of Procurement attributes into non procurement EAGER reviews
- Procurement Training to be included in Elected Members CPD portfolio

LINKS TO NATIONAL BPI

- BPI 6 – Continuous Improvement
- BPI - % Spend Influenced by Procurement Professionals