

PROCUREMENT HANDBOOK

AUGUST 2022

INDEX

1	Introduction	3
1.1	Purpose of this Handbook	3
1.2	Procurement and Purchasing	3
2	Council Procurement Strategy.....	4
2.1	Procurement Strategy 2022-23	4
2.2	Roles and Responsibilities	4
2.3	Savings.....	5
2.4	Conflict of Interest	5
2.5	Procurement Governance	5
2.6	Seeking Assistance	6
3	Procurement Practices and Processes.....	7
3.1	Procurement Funding	7
3.2	Approved or Standing Lists	7
3.3	Advertising Contracts or Tenders	8
3.4	Aggregation.....	9
3.5	Procurement Types	9
3.6	Procurement and the European Union (EU)	10
3.7	Segmentation and Risk	10
3.8	Procurement Time-scales	11
3.9	Before You Start.....	12
3.10	Procurement Routes	12
4	Contracts.....	13
4.1	Procurement Collaborations	13
4.2	Entering into Contracts	14
4.3	Tender Standstill (or Alcatel) Period	14
4.4	Post Contract Award and Review	14
4.5	Contract Monitoring	15
4.6	Contract Risk management	16
5	Sustainability & Community Benefits	17
5.1	What is Sustainable Procurement?	17
5.2	Community Benefits	18
5.3	Supported Businesses	19
6	Purchasing Routines	20
6.1	Purchasing	20
6.2	Low Value Purchases (under £16,500)	20
6.3	Invoicing and Payment	20
6.4	Online Purchasing and Procurement.....	21
7	Sourcing Strategies for Procurement.....	23
7.1	What is a sourcing strategy	23
7.2	Current Contract information	23
7.3	Proposed Contract Strategy	23
7.4	Proposed Contract Benefits.....	23
7.5	Conflicts of Interests/Anti Bribery Considerations.....	23
7.6	Procurement Process.....	23
7.7	Contract & Supplier Management.....	23
7.8	Risk management.....	24
7.9	Implementation & Exit Strategies.....	24
7.10	Strategy Approval.....	24

1 Introduction

1.1 Purpose of this Handbook

The aim of this Procurement handbook is to assist those with procurement responsibilities within the Council to understand the requirements which should be taken into consideration in procurement decisions, including the requirement for Best Value.

Good procurement practices and processes ensure that the Council fulfils its obligations in respect of efficient use of resources, transparency, equality, governance, and contributes to value for money acquisitions for the Council.

Poor procurement can result in acquisition of the wrong or poor quality supplies, services, or works, legal challenges to the process, reputational issues, increased costs and inefficiency.

East Dunbartonshire Council spent over £155 million on goods, services and works in 2020/21.

The amount of finance available to the Council is being reduced year on year and the requirement to ensure that maximum value is obtained from the available budgets is therefore paramount.

In all instances Officers should carry out an Options Appraisal to consider if the requirement is necessary, and if so can it be fulfilled by internal resources before considering external procurement.

1.2 Procurement and Purchasing

Purchasing and Procurement are often thought of as interchangeable terms; however this is not the case.

Procurement covers the whole process from determination of the need, sourcing and purchasing, to disposal of the asset or service following its use.

Purchasing meanwhile is a part of the procurement process usually involving the communication of a purchase order, receipting of the supplies, services or works ordered, and authorisation and payment of contractor or supplier invoices.

This will be more covered in more detail throughout the handbook.

2 Council Procurement Strategy

2.1 Annual Procurement Strategy 2022-23

East Dunbartonshire Council's Annual Procurement Strategy is aligned to the Organisational Transformation Programme, working within the Organisational Transformation team implementing an efficient and effective procurement approach to generate both cash and non-cash savings and in doing so delivering best value to the Council.

The annual strategy sets out the objectives of the Corporate Procurement Team for the period 1st April 2022 to 31st March 2023, as required by the Guidance under the Procurement Reform (Scotland) Act 2014, and in support of Organisational Strategic Objectives within the LOIP reflecting both national and local priorities. This drives a continuous approach to improvement across the organisation.

The strategy will support the achievement of financial savings, delivery of efficient and effective public services through consideration of best value, within a sustainable approach and in alignment with best practice and procurement legislation.

Our aim is to continue to develop and implement an effective procurement approach by:

- Setting out clear strategic objectives
- Embedding a continuous improvement approach to procurement
- Delivering cash savings
- Maximising opportunities to collaborate, innovate and deliver efficiencies
- Providing opportunity to Supported Businesses, Social Enterprises, local and SME suppliers to access public sector contracts
- Directing focus on sustainable procurement, including the identification and delivery of community benefits
- Supporting a sustainable economic environment

The Strategy seeks to identify the way forward for procurement within the Council, in a way which meets the needs of the Council, maximises the opportunities to deliver procurement innovation, and builds capacity to meet the challenges which lie ahead.

2.2 Roles and Responsibilities

Strategic responsibility for Procurement for the Council is remitted to the Corporate Procurement team (CPT) by virtue of Contract Standing Orders agreed by Council in March 2022, with further reviews planned in line with legislative and Organisational objectives. This document complements the Procurement Guidance Notes (which should also be referred to) attached to Contract Standing Orders and aims to set out standard processes for all Officers to follow.

The Corporate Procurement Manager, through the Executive Officer – Organisational Transformation, determine procurement strategy, policies, and procedures, with responsibility for the corporate strategic environment through visibility and control of organisational spend.

The role of the CPt is to provide procurement advice and guidance, and to undertake tender and contract work of defined values for, and in collaboration with, service departments and teams. In addition the CPt will also provide advice and guidance on purchasing matters. While allocation of specific roles and responsibilities will be determined within each tender and contract, departments and services will usually have responsibility for managing the purchase of items up to a value defined in Contract Standing Orders, using standard processes and tools. All officers with procurement responsibilities should be aware of the Administrative Scheme, Financial Regulations, and Contract Standing Orders and Guidance Notes in relation to Procurement.

In particular, officers should be aware of the limit of their authority in regard to procurement and purchasing decisions, and what has been delegated to them by the Scheme of Delegation and Authorised Signatory Listing, details of which should be included in individual role profiles. All officers must also be aware of their responsibility to uphold control measures in relation to Segregation of Duties and Conflicts of Interest, for the avoidance of fraud. If in doubt Officers should consult their line manager, Internal Audit, or the CPt for advice.

2.3 Savings

Procurement is embedded within the Transformation Programme and as part of this programme will support continuous improvement, financial savings and wider organisational objectives.

The annual spend within scope for savings, is generally third party, external revenue spend, Housing Revenue and Capital spend will be approached in the same organisational process.

2.4 Conflict of Interest

Employees must not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Council. Any personal interest that may impinge, or might reasonably be deemed by others to impinge, on an employee's impartiality or conflict with the duty owed to the Council in any matter relevant to an employee's procurement activities should be declared to the CPt. Personal interests can include interest of close family members (further guidance contained within Contract Standing Orders and associated Procurement Guidance Notes)

2.5 Procurement Governance

Procurement governance flows from the requirements of National Legislation, and Council Standing Orders and it is the responsibility of the Executive Officer-Organisational Transformation the Procurement, Legal and Audit teams to ensure that all Officers understand and comply with relevant regulations.

Further details of current regulations, including locally applied thresholds, are available on the Procurement pages of the HUB.

The Council Administrative Scheme, including Contract Standing Orders and the associated Procurement Guidance Notes, detail the delegations in relation to Procurement and the required authorities placed upon all employees,

The relevant Procurement procedures must be followed where applicable, the introduction of the Waiver process does not provide a route to negate legislative provision, further detail on the Waiver process is available from the Corporate Procurement Team and must be followed, any breach in relation to the process must be reported and appropriate measures taken, further detail on non-compliance available in Procurement Guidance Note 11.

All relevant Procurement documentation can be found on the HUB,
<http://thehub.eastdunbarton.gov.uk/business-hub/procurement/procurement-documents>

2.6 Seeking Assistance

Any service requiring assistance with Procurement or purchasing matters should contact the CPT, details of whom are listed below. Also listed below are Legal and Audit contacts for Procurement.

Job Title	Name
Kirsty Chisholm	Corporate Procurement Manager
Jacqui Campbell	Team Leader – Technical Procurement
Graeme Gamble	Team Leader – Technical Procurement
Vacant	Contract & Supplier Management Lead
Vacant	Procurement Project Lead – City Deal
Joan Doak	Team Leader - Procurement Support
Teresa Williams	Procurement Adviser
Lorna Dunn	Procurement Adviser
Cheryl Spence	Procurement Adviser
Siobhan Cunningham	Procurement Adviser
Nicola Young	Procurement Adviser
Ross Liddle	Procurement Support Assistant
Ciara Devaney	Procurement Support Assistant
Ross Nicholson	Data Monitoring & Support Officer
General Enquiries	Procurement@eastdunbarton.gov.uk
Andrew McLaughlin	Legal Manager
Gillian McConnachie	Audit and Risk Manager

3 Procurement Practices and Processes

3.1 Procurement Funding

Procurement of supplies, services, and works for the Council involves funding from revenue and capital budgets, and may include external funding from other sources. It is the responsibility of the Officer initiating a procurement exercise to confirm that budget is, or will be, available. The specification/requirement must be consistent to the budget available, and a business case outlining this must be provided. Finance will confirm availability of Budget as part of the Procurement authorisation process.

All Procurement processes must be notified to the CPt as soon as possible, as time and resources are allocated on a first come first served basis, with priorities being considered. It is the responsibility of the Service Area to ensure adequate allocation of time is provided for the Procurement process. Proformas must be used to notify the Corporate CPt of any requirement in excess of £16,500, (Appendix 1). Upon receipt of the proforma the CPt will confirm the status and allocate both a unique EDC reference which should be used on all internal and external communications in regard to the procurement in question, and a Procurement representative to assist with the requirement.

The CPt align to the Capital Programme, Capital Asset Management, Transformation Projects, City Deal and, as part of the Education, People & Business directorate, have access to and information on available budgets/financial reports/project documentation/transformation agenda/etc. This information will be used to check the financial and organisational aspects of proforma information, including the defined business case provided with the proforma in support of the requirement.

3.2 Approved or Standing Lists

Current Procurement practice believes that Approved or Standing Lists of Suppliers do not meet the requirements of transparency, equality and fairness. A level of competition, appropriate to the contract value, must be applied in all cases. Although some supplier contact details are recorded, these are only used for the lowest value purchases. For all mid and high range procurements East Dunbartonshire Council uses the Public Contract Scotland (PCS) portal to advertise tenders or to seek multiple quotations for lower value spend. This allows us to reach a wider supplier base. Local suppliers are encouraged to register with PCS thereby accessing business opportunities from across the Scottish public sector. (www.publiccontractsscotland.gov.uk)

Where quotations for below £16,500 are being issued by the Department, the Corporate Procurement Team can assist with the provision of names of Suppliers/Contractors. Please contact the CP team for further information or refer to Standing Orders Procurement Guidance Notes for further information.

Where quotations are above £16,500 the use of the Public Contracts Scotland Quick Quote portal must be utilised. Access to the Quick Quote portal will be rolled out across the wider Organisation through the Procurement Governance approach. The CP team will continue to issue Quick Quotes until the roll-out has been completed. This is in line with the Procurement Governance approach and in support of Contract Standing Orders.

3.3 Advertising Contracts or Tenders

The following table outlines values and the corresponding advertising routes for each type of procurement,

Value	Type	Advertising Route
£1-£50,000	Supplies and Services, Works	For values less than £16,500 4 informal quotes are required. Quick Quote process must be used for requirements between £16,501 and £50,000, the CPt can issue this on PCS and, on completion of the relevant access and training from the CPt, Officers will self-serve on these requirements. Suppliers invited to quote may be identified on PCS, or known to the service or to Corporate Procurement. New suppliers should be regularly invited to quote; as well as consideration of local & small-to-medium enterprises (see 6.2). Please also take into consideration visibility and aggregation when undertaking a low value requirement (see 3.4)
£50,001 - £138,760 (All requirements in excess of £50,000 are classed as regulated)	Supplies and Services	Advertised on Councils' Buyers Profile within the Public Contracts Scotland website, with a link from the Council's own website. This is open to all companies who have registered on the PCS site. Specialist publications may also be used where regarded as essential.
£50,001 - £4,733,252 (All requirements in excess of £2,000,000 are classed as regulated)	Works	As above for Supplies and Services
£138,760 and above	Supplies and Services	Advertised on the Public Contracts Scotland website And also, via PCS, in the Find A Tender website. This is open to all companies who have registered on the PCS site. Specialist publications may also be used where regarded as essential. Advertisement via PIN may apply to reduce legislative timescales and offer opportunity for market testing.
£4,733,252 and above	Works	As above for Supplies & Services

3.4 Aggregation

A requirement for the same or complimentary supplies, services or works throughout the Council must be aggregated (both in value and category) and the estimated value so determined by aggregation shall be the value of the requirement, and used to establish the method of procurement. Aggregation applies to the requirement over a four year period, ie if the initial requirement is likely to be an on-going/repetitive requirement, the cost over the four years MUST be used to direct the relevant Procurement route, irrespective of the spend being with one supplier/contractor or several.

Similarly, no actual or potential requirement within a department or service shall be disaggregated, packaged or split into separate lots to avoid the application of standing orders or any legislative provisions. Wilful disregard of the legislative provision around disaggregation will be referred as a procurement breach and managed accordingly.

While the CPt will carry out monitoring and research to identify opportunities for aggregation all officers with budgetary responsibility have a duty to advise the CPt of any such opportunities which they become aware of. For repetitive quotation requests, frameworks can be established to reduce requirements for issuing numerous quotation requests, please contact the CPt to discuss/progress.

3.5 Procurement Types

Lower value procurements, currently a value under £16,500, are usually completed by the service department. However, in this context, the rules on aggregation must be considered, and the complexity (or otherwise) of the requirement must also be checked with the CPt. All low value, Consultancy, IT and Legal Services requirements must also be referred to the CPt.

See section 7 for more detail on low value procurements.

For many medium, and all major (regulated above £50,000 for goods and services and £2,000,000 for works), procurements it will be necessary to decide if the procurement should be on an Open or Restricted basis. A restricted tender reduces the number of full returns to be evaluated, but increase the overall time taken to complete the process.

- In an Open procurement any supplier wishing to do so can access the full set of tender documents and submit an offer.
- In a Restricted procurement suppliers are openly invited to complete a pre-qualifying questionnaire (SPD), following the evaluation of which the highest scorers are selected to complete the full tender. This can be limited to a predetermined number detailed in the PQQ, a minimum of 5, or all if less than 5.

In exceptional circumstances the use of a negotiated procedure without prior publication route may be requested (Waiver), although should always be regarded as an exception to the norm and may not be agreed. This is a Procurement led process and notification to, and discussion with, the CPt is essential. A Proforma must be completed for this approach, the CPt will confer with Legal Services prior to confirmation for a Waiver to ensure the approach is viable and does not put the Council at risk of challenge. A detailed business case, within a standard report format, setting out the legal justification for this approach will be considered by the appropriate authorities prior to any decision. Please refer to Contract Standing Order 29 for further information.

In certain complex and unusual circumstances a Competitive Dialogue procedure may be used but again, this should be discussed with the CPt as part of the strategy for the procurement.

3.6 Procurement and the European Union (EU)

EU Procurement Directives are the European Union rules which governed all public sector contracts above certain values (see section 3.3 for current details) to ensure that procurement is fair, transparent and open to competition across all member states. As of 31st December 2020, the UK are no longer part of the European Union. The Procurement (Scotland) Regulations will continue to be followed.

All relevant procurements are advertised in the Public Contracts Scotland portal via national advertising website and are subject to strict timetables. Various processes are available via this route, Prior Information notices (PIN), Open, Restricted, Negotiated, procedures, etc.

The Procurement Reform Scotland Act (2014) took effect on 17th April 2016. The Act provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and specific guidance has been produced to assist in implementation of these processes. These refer to those contracts within the 'slice', the value thresholds between £50,000 for goods and services and £2,000,000 for works to that of the current legislative thresholds.

As the local EDC thresholds state that all contracts above a value of £16,500 are managed by Corporate Procurement (until such time as the relevant training has been completed) the CPt will automatically be responsible for all tenders and award of contracts above these values.

3.7 Segmentation and Risk

EDC will take a segmented approach to the application of Contract, Supplier & Risk Management. The following value thresholds will apply to segmentation-

Low Value	Contract requirements up to the value of £50,000
Medium Value	Contract Requirements above £50,000
High Value	Contract requirements in excess of £125,000

Application of a Risk scale to Medium value contracts will establish the approach to be taken, ie those contracts with a medium value and a high risk profile will be subject to the same processes as those of High value. The following processes will be applied to Medium Value/High Risk and High Value/Medium-High Risk contracts-

Sourcing Strategies
Risk Management
Implementation Plans
Contract Management
Periodic Reporting (frequency to be determined by individual requirements and captured within Contract Handover Documentation)
Sharing of Lessons Learned

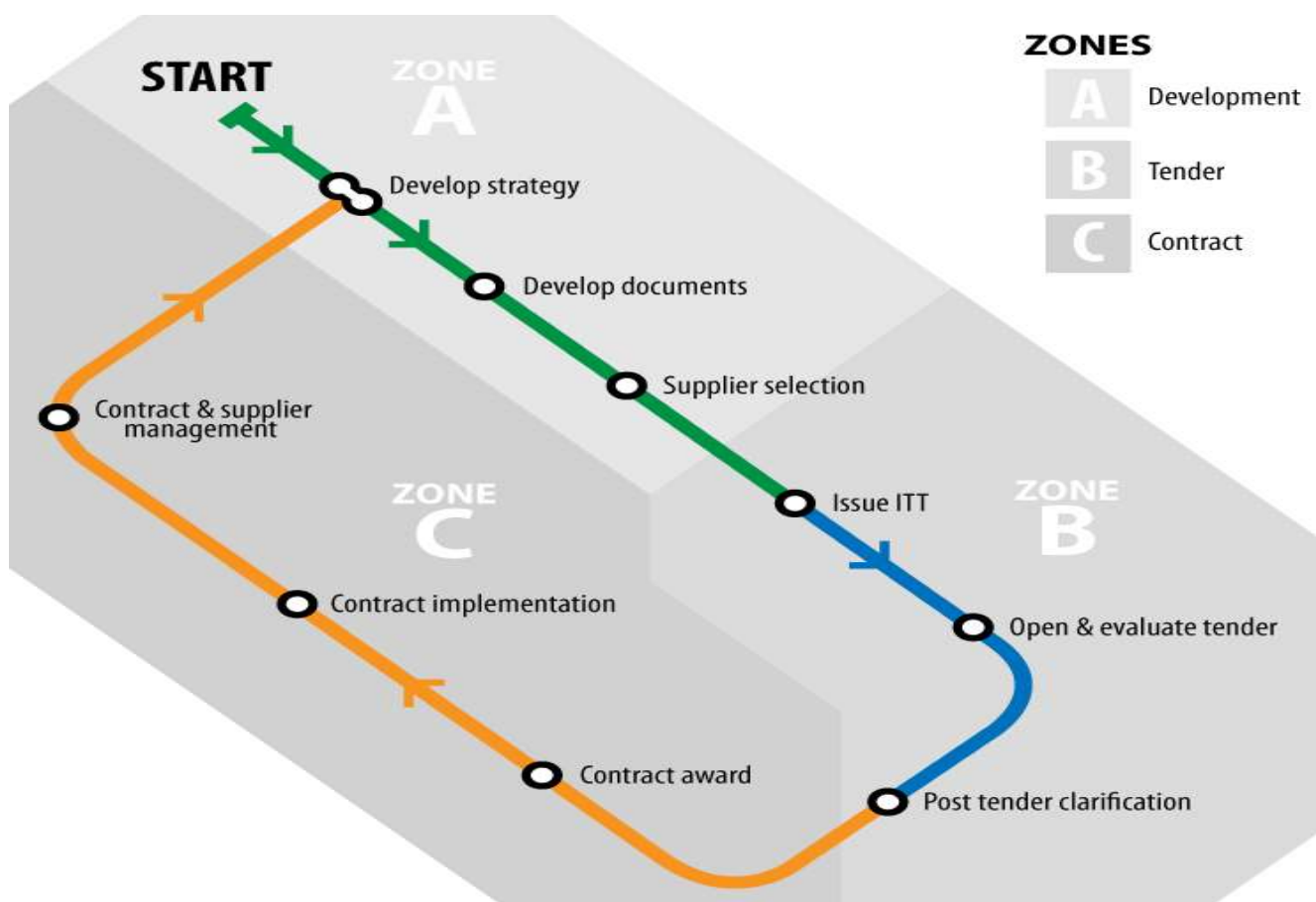
In alignment with routes 2 & 3 of the Procurement Journey.

3.8 Procurement Time-scales

EDC procurement processes will follow the required timescales as stipulated in relation to the values attributed to the contract. A typical Procurement exercise may take anywhere from a matter of weeks to 6-12 months, depending on the complexity of the process, the segmented approach to the contract and the regulations to be applied. For requirements in excess of the relevant value thresholds the timescales are available from the HUB. Further guidance can be sought from the Procurement team.

The Procurement Journey

The full procurement process from identification of need, through tender to contract award and on-going contract management, is known as the Procurement Journey and can be accessed via URL <https://www.procurementjourney.scot> . The typical journey is shown in the diagram below:



More detail on the Updated New [Procurement Journey](#) Guidance can be found on the intranet this provides some basic guidance on the new features of the new Procurement Journey.

Scottish Procurement, the procurement centre of excellence within the Scottish Government, has developed a tool to assist public sector staff in deciding the appropriate route for every procurement journey. There is a new interactive Decision Matrix to assist users in selecting the appropriate Route that should be followed. This is based on the estimated total value of the procurement requirement and risk. If you make a mistake you can press the 'reset' button and this will take you back to the start of the Decision Matrix.

3.9 Before You Start

Before every procurement exercise make sure that you have completed each of the following:

- You have gathered/ identified full details of the requirements, for example quantity, sizes, part numbers.
- The purchase has been deemed essential and, for larger items, there is a robust business case.
- There is budget in place. You have authority to proceed from the budget holder.
- There are no existing contracts in place for similar supplies or services. By aggregating demand for common items across the council, or across the public sector, Best Value can be achieved.
- You have spoken to Corporate Procurement for advice and information if necessary
- Completed the relevant Procurement documentation

3.10 Procurement Routes

Completion of the Procurement Journey decision matrix will result in a score between 2 and 7, which translate into three defined routes for public sector procurements.

- Route 1 is designed to be used by service department staff that have a requirement, and are authorised, to carry out low value, low risk, and non-repetitive procurements.
- Route 2 is designed for use by Procurement Officers carrying out procurements of moderate value and risk, usually in tandem with service department staff.
- Route 3 is designed for use by Procurement Officers carrying out high value, high risk strategic procurements, and usually in tandem with senior service department staff.

More detail on the items above, including local East Dunbartonshire Council procurement thresholds, can be found on, or via, the [intranet](#).

4 Contracts

4.1 Procurement Collaborations

Collaborative Contracts are developed at a number of levels to provide best value. These aggregate requirements across a number of organisations to reduce costs through bulk purchase, and identify suppliers who are able to ensure supply, and possibly support, of the particular commodity item through the lifespan of the contract.

Scottish Procurement is the national centre of procurement expertise in Scotland. It develops a number of Contracts and Frameworks at a national level, (Category A) covering services which are relevant to all types of public sector organisations. Details of current Category A Contracts can be found on the [intranet](#). Please contact Corporate Procurement regarding access to these contracts.



Scotland Excel is the local government centre for procurement expertise in Scotland. It develops a number of Contracts and Frameworks for use mainly by Local Government in Scotland (Category B). Details of current Category B Contracts can also be found on the [intranet](#). Please contact Corporate Procurement regarding access to these contracts.



East Dunbartonshire Council has joined with other councils to negotiate best value contracts for the supply of certain goods and services (Category C1). A list of current Category C1 services is given on the [intranet](#) too.

Crown Commercial Service, part of the Cabinet Office, has a UK wide remit for collaborative procurement, however many of its Contracts and Frameworks now overlap with Scottish Procurement opportunities. Please contact Corporate Procurement regarding access to these contracts.

COSLA has developed a National Care Home Contract to be used as a model for local authorities for the purchase of care home places for publically funded clients.

Scottish Futures Trust have developed a Public/Private collaborative joint venture where Public sector organisations across a hub territory work in partnership with each other and a private sector delivery partner in a joint venture delivery company called hubCo. East Dunbartonshire Council currently participates within the Hub West Scotland partnership. Each hubCo takes a strategic, long-term planning approach to the identification of its infrastructure requirements to support the delivery of community services. Please contact the CPt for further information.

There are various other collaborations and frameworks available to EDC, please contact CPT for further information and for clarification on use.

Purchases via collaborative contracts often take place through mini-competitions between suppliers on a Framework Agreement. Mini-competitions will usually be carried out by the CPt through the Quick Quote portal on PCS. Please contact the CPt for further guidance/information on Collaborative opportunities.

4.2 Entering into Contracts

There is a distinction between contracts formed on a day to day basis, and those which are more formally let.

- **Day to day:** In the course of day to day business, where a legally binding agreement is already established with one or more suppliers or contractors, and terms and conditions are agreed, the issue of a purchase order, either verbally or in writing, confirms the type and quantity of supplies, services or works required and a contract is formed between the Council and the supplier or contractor at that time. This particularly applies to contracts and frameworks, whether locally agreed or collaborative.
- **Low value Purchase Orders:** The above also applies to lower value supplies, services, or works sourced on an ad-hoc basis and ordered by those with the authority to do so.
- **Agreements/Leases:** The ability to sign an agreement or lease is reserved to Legal Services for consideration of the terms and conditions and authorised signing even on a renewal basis, all such documents should be referred for review and signing.
- **Formal East Dunbartonshire Council Contracts:** The ability to formally enter into contracts on behalf of the Council is limited to those with the delegated authority to do so, and this mainly rests with the Legal Team. Where a tender is issued by the CPt for specific requirements, and acceptance of the selected offer is by means of a Letter of Acceptance from the Legal team or the CPt (contracts below £50,000), the contract is formed on the date the letter is issued. This will usually be followed by issue of a purchase order for administrative purposes.

4.3 Tender Standstill (or Alcatel) Period

Prior to a contract being entered into by the Council, unsuccessful suppliers must be debriefed. For those requirements where a standstill process (Alcatel) is required, this is conducted through the CPt. Following receipt of a request for clarification, or an objection to the debrief notification, the contract award may be stayed until the matter has been resolved.

4.4 Post Contract Award and Review

Following the award of any contract, Service department officers will be responsible for the management of the contract including any changes and variations which may be necessary. Contract Standing Orders deal with variations and advice can be obtained from the CPt or the Legal team when in doubt.

Over the course of this year, contracts may be transitioned onto PCSt Contract Management portal, which will facilitate Contract Management in an informed and unified format. Contract Management is an ongoing approach to ensure contractual obligations are met and also to deliver additional benefits through innovative working relationships.

The CPt will continue to carry out Contract Monitoring as part of Supplier/Contractor Development and Management, and will monitor and support Officers and Suppliers/Contractors in regard to Supplier/Contractor and Council performance as part of this process.

For high value contracts, above the relevant thresholds, a review of the tender process will be completed following contract award and any lessons learned will be captured and circulated.

4.5 Contract /Supplier Management

A collaborative approach will be taken between the CPt and service departments in regard to management of contracts and suppliers/contractors. Contract & supplier management is the responsibility of directorates leading the contract, monitoring will be responsibility of procurement. This assists identification and management of cashable and non-cashable savings opportunities and achievement of contract deliverables. Procurement will manage a contract register, identifying key suppliers and supporting directorates in appraisal, monitoring and as a point of escalation for contract requirements.

The PCS-t system will be further utilised to support an end to end process for use across the council.

The contract & supplier management approach will clearly define roles and responsibilities of the procurement team and the service users, ensuring a consistent, managed approach across the council, delivering best value from new and existing contracts.

On award of contract, a Handover meeting will be held with identified Service representatives.

In the first instance the contract originator will have responsibility for managing the contract once it is awarded, with support available from the CPt. Any variations to the contract requested by the supplier must be agreed and documented. Any problems with supplier/contractor performance should also be documented for discussion with the supplier/contractor and the CPt. Lack of a suitable resolution to any problems encountered should be escalated to the CPt and, where necessary, the Legal team.

The CPt will carry out performance and satisfaction surveys in regard to suppliers/contractors and Council performance. Results of the surveys will be analysed and any deficiencies logged for correction.

The CPt will participate in meetings with suppliers/contractors and service teams as and when required, and will undertake separate meetings with suppliers/contractors as part of supplier development.

Supplier/Contractor performance will be monitored via the internal Contract Register, a RAG status will be used to highlight outcomes of the Contract & Supplier Management process. The RAG status will be utilised as follows-

Red	Supplier/Contractor Not Performing
Amber	Supplier Performing with areas for improvement
Green	Supplier Performing

Outcomes, escalations and Lessons learned will be shared from this process via the Procurement Strategy & Governance quarterly reporting process.

Notification of changes of resources within the Services are the responsibility of the Service Line Management, handover information must be provided where the Contract & Supplier Management role is transferring. The CPt must be advised of this to update the relevant contract info.

4.6 Contract Risk management

Risk Management takes place throughout the procurement process. At the very first stage of the Procurement Journey the Decision Matrix takes a risk based approach with a simple three question matrix to assess the complexity and assign the appropriate route (see 4.2).

Where a Sourcing Strategy is developed, risks specific to the individual procurement exercise are identified and scored. Areas to be considered might include inadequate specification; political issues; environmental issues; supplier difficulties; contractual problems or many other areas. Risks are scored and managed throughout the tender process and contract life (detailed within Contract Handover Documentation).

The CPt and Risk Management Team will take an active part in the management of Risk of contracts which meet the EDC high value threshold for procurement for goods, services or works, risk management for lower value contracts should be undertaken by the relevant service department.

Please refer to 3.7 & 3.8 regarding value and risk segmentation.

Sustainability & Community Benefits

4.7 What is Sustainable Procurement?

Sustainable Procurement allows organisations to meet their needs for goods, services, works and utilities in a way that continues to achieve value for money on a whole life basis while also generating benefits, not only for the organisation but also to society, the economy and the environment. Sustainable Procurement is compatible with, and is encouraged by, local and national procurement regulations, and should always be considered when procuring goods and services for the public sector, alongside value for money and quality.

High level benefits of using a sustainable approach in procurement exercises can be any of the following:

- Support of the local economy
- Value for money through whole life costing
- Improvement to health
- Helping fulfil UK and Scottish Government commitments
- Meeting international obligations
- Environmental benefits
- Climate Emergency

It is the responsibility of Officers to ensure that they have considered all areas of sustainability in any procurement exercise they are involved with, and advice in this regard will be available from the Sustainability Policy Team, Waste Services team, and the CPT.

4.7.1 Sustainability in Procurement

Sustainable procurement is concerned with identifying the potential environmental, social and economic aspects which could be incorporated into a contract, either through contract terms and conditions or through voluntary contract management. Council Policy for “Sustainable Procurement” expands on how Procurement decisions impact on socio-economic and environmental factors. Sustainable Procurement covers how the Council meets its needs for goods, services & works in a way that achieves whole-life value for money in generating benefits for the Council, society and the economy, whilst minimising environmental damage. Sustainability considerations are relevant throughout the whole procurement cycle, and should take into account the whole life of products from design and manufacture through to disposal.

Different aspects of sustainability will be appropriate for different contract opportunities but the following examples illustrate the types of consideration which may be relevant:

- Climate change/emergency actions
- Waste minimisation
- Preservation of natural habitats
- Training and employment opportunities for those most in need
- Support for small businesses
- Commodity Specific Considerations

Some commodity areas where particular opportunities exist are:

- Energy Sources
- Paper and print – use of recycled materials, and of a smaller number of larger, shared, print devices.
- Timber – use of recycled or legally and sustainably sourced materials.
- Energy & Transport - use of renewables, energy efficient machinery and good design to reduce energy consumption.
- Stationery and Consumables – use of refillable or recyclable products, use of solvent free products and reduction in battery use.
- White Goods and Computers – ensure goods have a WEEE logo, specify low energy ratings, and include approved disposal arrangements in contracts.
- Cleaning Products – use biodegradable products where possible, and those which are phosphate free and do not contain brighteners. Buy refillable products.
- Food and catering products - look for local suppliers who offer good pricing and avoid use of disposable cups and cutlery. Buy fairly traded versions of products where available.
- Horticultural Products - Purchase peat free alternatives where possible and ensure herbicides and pesticides are COSHH registered.
- Paints & Varnishes - maximise purchase of water based paints and those which conform to UK regulations on heavy metals. Minimise purchase of paints containing solvents and dispose of paint and cans appropriately.

4.8 Community Benefits

Community Benefit clauses are a method of obtaining sustainability from public contracts. A Community Benefit is a contractual requirement which delivers a wider social benefit in addition to the core purpose of the contract.

These might include:

- Business development for local small businesses or social enterprises
- Targeted recruitment and training
- Community engagement or investment

Benefits might include the permanent employment of previously non-working people and/or contribute to the regeneration of deprived areas. Consideration of the inclusion of benefits clauses can also encourage the re-thinking of strategies and development of more innovative approaches.

All community benefit clauses must be considered on a case by case basis to establish suitability and capacity of the individual contract. They must be clearly mentioned in all tender documentation, and must be linked to the core purpose of the contract.

Monitoring of contract outcomes and deliverables is essential with any Community Benefit clause, to ensure contract compliance.

The Council will actively seek to ensure the inclusion of Community Benefit clauses in all regulated procurements (those in excess of £50,000) where appropriate and the CPt have initiated a Community Benefits Forum to formalise this process and establish a Community Benefit Policy. For all contracts of a value equal to or in excess of £4 million, community benefit requirements must be expressly highlighted within the published contract notice or, if they are determined as unnecessary, the reasons why.

4.9 Supported Businesses

One particular area of sustainability promoted by the Scottish Government is the use of Supported Businesses, where more than 50 per cent of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.

European laws, incorporated into Scottish law in 2012 (Public Contracts (Scotland) Regulations 2012) make it possible for public bodies to reserve contracts for supported businesses, and it is Scottish Government policy that every public body should aim to have at least one contract with a supported factory or business.

Scottish Procurement have developed a reserved Framework Agreement, which provides all Scottish public bodies an easier route to contracts with selected supported businesses and goods and services, divided into 4 Lots:

Lot 1 - Furniture and Associated products

Lot 2 - Document management

Lot 3 - Textiles and Personal Protective Equipment (PPE)

Lot 4 - Signage

Further details of Supported Businesses based in Scotland, the products they offer and the services they provide can be found on the Scottish Procurement website and a direct link to this is available of the Sustainable Procurement page of the Intranet. Please note that not all of these products or companies are included in the Framework.

For further advice on buying from Supported Businesses please contact Corporate Procurement.

Further information on Sustainability is available in the Green Issues section of the Council website, with additional information available within the Council's Climate Change Action Plan.

5 Purchasing Routines

5.1 Purchasing

Purchasing usually covers the process of providing supplies, services, and works which are required on a continuing or repetitive basis, as well as adhoc or one off as required. The originator must obtain confirmation from the budget holder that there is adequate finance available.

Within East Dunbartonshire Council purchasing is currently undertaken through the iProcurement (iProc) system, an electronic purchase order system.

Communication of the order can be by one of the above methods, a copy of what was ordered in terms of specification, price, delivery, and the contract which formed the basis of the information (eg council contract, collaborative contract or Framework etc) must be retained by the originator.

Goods, Services and works must be instructed by a Purchase Order, verbal/email/etc methods of requesting commencement are in breach of Governance arrangements and are subject to reporting through the Breach process.

5.2 Low Value Purchases (under £16,500)

A low value purchase, currently defined as those with a value below £16,500, does not usually require a formal tender but does require multiple quotations to be sought in order to demonstrate fairness and transparency. However a complex requirement may require Procurement involvement, please check with Procurement prior to commencement if this is the case, ie ICT, Legal Services, Consultancy outputs, inter contract dependencies, etc

Quotations must be requested and received in written format, ie e-mail. The CPt are currently developing training documentation for access and use of the Quick Quote facility on the Public Contracts Scotland website. In alignment with the Procurement Governance approach, a record of these must be kept for Audit purposes.

In every case a minimum of 4 suppliers must be contacted for a quote and, where possible, at least one supplier chosen must be a local Small to Medium Enterprise (SME). A local supplier is one located within East Dunbartonshire. The detail of the quotes sought must be attached to the requisition when submitting for a Purchase Order.

Aggregation must also be considered within the low value purchase route, if the goods/services are subject to continued use/requirement, across all Services and not just the Service issuing the quotes, then guidance must be sought from the Procurement Team prior to issuing for quotes or instructing commencement of the requirement.

5.3 Invoicing and Payment

Invoices are in the main addressed in the first instance to the Accounts Payable (AP) team either by mail or through the eBilling email receipt system. This allows the invoice to be recorded and tracked so that invoices which may be late for payment can be escalated.

Where a purchase order has been issued through the purchase order system, iProc, receipting of **supplies** must be carried out directly to the system, and provided the invoice matches the receipts in terms of specification, quantity and price the invoice is automatically processed by the Accounts Payable team and paid. In these cases finance codes are

already embedded in the Purchase Order. Invoices must be sent to the AP team for processing, attaching to a requisition will not result in the payment being processed.

A Government KPI applies to prompt invoice payments and it is therefore essential that the authorisation process is carried out timeously. The introduction of E-invoicing in December 2017 has established an electronic end to end process for invoice payment, and is currently being utilised across a number of Suppliers/Providers.

The Authorising Officer MUST be aware of their approval limits and segregation of duties as detailed within the Authorised Signatory Listings.

5.4 Online Purchasing and Procurement

5.4.1 Procure to Pay (P2P)

A council wide corporate procurement system which manages the full process of ordering goods and services from Purchase through to Pay; iProc, provides specialist tools for use by Corporate Procurement in relation to Management Information and Contract Compliance.

5.4.2 Contract Items

The system contains priced catalogues and smart forms of the supplies and services routinely purchased across the council. Employees will select the items required and these will be routed to the appropriate budget holder for authorisation before a Purchase Order is automatically created and sent. Goods will be receipted online after delivery, and invoices matched against the online order. There is no requirement to carry out a quotation process where a contract already exists.

5.4.3 Non Contract Items

Where there is no existing contract for the item required employees will complete an online requisition which, following authorisation will be forwarded to the CPt Buyers Work Centre for further action. Once the Purchase order has been created the process will be identical to that described above. Where the Supplier/Provider is new to the Council, a New Supplier Request process will be required prior to goods, services, works being instructed.

5.4.4 Reporting and Management Information

The system will enable the CPt to view detailed information on procurement trends and practices, and to monitor contract compliance.

This will also assist East Dunbartonshire Council to improve its performance in the Procurement Commercial Improvement Programme (PCIP) which public sector organisations are measured against.

5.4.5 System Access

The P2P team upload data on Suppliers, Cost Codes, and Authorisation hierarchies; as well as detailed Catalogues of goods and services. For any queries or access please contact IProc Support.

5.4.6 Contracted Spend

The iProc system controls ensure all spend is covered by the relevant Procurement Process and as such is facilitating contract compliance. The CPt work across Service areas to identify Suppliers & Contractors, where these suppliers/contractors are currently contracted with EDC, catalogues and request templates are available for use. Where the suppliers/contractors are not currently contracted, Procurement process and procedures will

apply, supplementary information will be required before purchase orders will be authorised by the Procurement team for this spend. This controls non-contract spend and ensures compliance with the relevant Procurement procedures.

6 Sourcing Strategies for Procurement

6.1 What is a sourcing strategy

A Sourcing Strategy is a document which is completed at the outset of the Procurement process to consider and record all the elements which will ensure a successful outcome for the council and the wider community, as explained in previous sections, it will also define the roles and responsibilities of Corporate Procurement and the relevant service department(s) representatives throughout the process. This is currently utilised within procurement exercises above £50,000.

While the determination of the need for particular supplies, services, or works will usually flow from internal service decisions taking cognisance of legislative, political and community requirements and considerations, the Sourcing Strategy document will be completed by a Procurement Advisor, together with relevant Officers from the service department. The completed document forms part of the business case and identifies the way forward.

A copy of the Sourcing Strategy Template, described in detail below, is available from Corporate Procurement.

6.2 Current Contract information

This section highlights the current position including current contract supplier, end date and value. It also looks at historical expenditure, across all areas of the council if appropriate, and estimates the likely future requirements, taking into account any aggregated need.

6.3 Proposed Contract Strategy

This section looks at the supply market for the goods or a service required, and considers any opportunities for collaboration, or outsourcing. It also considers sustainability issues and possible community benefits which may be realisable. Information gathered in the section is then subject to an options appraisal, which will define the process to be adopted.

6.4 Proposed Contract Benefits

This section looks at the expected value of the contract, financial and non-financial benefits which are planned, and identifies performance measures which can be used to monitor contract performance. This section also captures Sustainability, Climate Change consideration, Community Benefits, etc.

6.5 Conflict of Interests /Anti- Bribery Considerations

This Section ensures that any employees involved within the Procurement Process will execute their duties fairly, honestly and are not likely to benefit from the outcome of the process by means of circumstances past, present or future. There is also consideration of compliance with the Anti-Bribery culture within EDC.

6.6 Procurement Process

This section identifies the participants and other stakeholders and key activities to be completed. It also considers Risk and risk mitigation strategies.

6.7 Contract & Supplier Management

This section identifies management and monitoring activities for the lifetime of the contract including KPIs, communication activities and an exit strategy for the contract end.

6.8 Risk Management

Tenders and Contracts will be segregated in relation to Risk, this information will enable prioritisation and contingency planning through effective application of mitigation. All Organisational risks will be captured centrally and be subject to scrutiny by the Council's Risk Officer. All relevant risks will be shared with all relevant parties, with ownership, and management clearly captured on the risk register. The relevant process to manage the identified risk will be communicated to the owner to ensure risk management is captured within the process and the future CSM approach. (see 3.7)

6.9 Implementation & Exit Strategies

This section looks at the process and activities associated with implementing a new contract, to ensure all relevant information is available to support the successful implementation/handover of the contractual requirements. Information must also be captured to detail how the incumbent supplier/contract holder will be managed throughout the handover as well as capturing how the future expiry date will be managed by the new supplier. The risks associated with the actions required will also be captured on the Risk Register.

6.10 Strategy Approval

The completed strategy will require approval from an appropriate level of management within the service department. The level required will depend on the total value of the contract.