

East Ayrshire Council
Comhairle Siorrachd Àir an Ear

PROCUREMENT STRATEGY
2020-2021

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Introduction

This procurement strategy sets out how East Ayrshire Council intends to carry out its regulated procurements (procurements with an estimated value equal to or greater than £50k) for goods, works and services for the period from 1 April 2020 to 31 March 2021.

The Procurement Reform (Scotland) Act 2014 requires that any public organisation which has an estimated regulated spend of £5 million or more (excluding VAT) in a financial year develops and reviews its procurement strategy annually before the start of the next financial year.

Procurement is one of the enabling strands of the Council's ambitious transformation strategy. We will generate efficiency savings through rigorous challenge of all our purchasing decisions and the implementation of effective and efficient procurement procedures and processes and in doing so will continue to provide best value.

The strategy sets out the procurement objectives and actions for this council for 2020 to 2021. These reflect both national and local policies and priorities and take cognisance of the minimum requirements as set out in Section 15(5) of the Procurement Reform (Scotland) Act 2014, which requires public bodies to reflect their approach to sustainability, community benefits, fair working practices (including promoting payment of the living wage), promoting compliance with the Health and Safety at Work Act 1974, procurement of fairly and ethically traded goods and services and the improvement of health and wellbeing within our communities.

In order for this strategy to achieve improved performance status, financial savings and contribute to the council's corporate social responsibilities, we will all need to embrace a change to our existing ways of working, and crucially develop a more strategic partnership between the Corporate Procurement Team, Corporate Management Team, Service Departments and our Local Communities.

Our aim is to build on the procurement model already in place, with a view to:

- **setting out** clear strategic objectives
- **making sure** we continue to improve our procurement methods
- **ensuring** compliance with our legislative and statutory procurement duties
- **maximising** efficiency and collaboration
- **continuing** to improve access to public sector contracts, particularly for Small and Medium sized Enterprises (SMEs), Co-operatives and Social Enterprises
- **increased** focus on sustainable procurement including the more innovative use of Community Benefits Clauses (CBCs), Community Wealth Building and targeting supplier's corporate social responsibility policies
- **continually** striving to deliver the best possible procurement service to the council and our local communities

The successful implementation of this strategy will only be achieved by those involved in the procurement of goods, works and services working in partnership internally, externally and working collaboratively with our partners across the wider public sector.

This strategy has been informed by the Scottish Government statutory guidance and will be subject to an annual review and reported to the Governance and Scrutiny Committee.

The Chief Governance Officer is the owner of the corporate procurement strategy and is responsible for effective and efficient strategic procurement activity across all Council service departments.

SECTION 3 – PROCUREMENT VISION/MISSION STATEMENT

East Ayrshire Council Vision

“East Ayrshire is a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people’s needs.” (East Ayrshire Community Plan 2015-2030)

Procurement Vision

“The procurement vision is to deliver commercially effective, compliant procurement processes across the Council. We will procure goods, works and services which will ensure excellent customer service and supplier contract management.”

Our aim is to build the Council’s reputation as leaders in procurement, securing innovation, agility, value for money and quality of services from our supply base. We will develop a culture where efficiency and continuous improvement are at the heart of how we do business.

Mission Statement

“Our mission is to develop a culture where efficiency and continuous improvement are at the heart of how we do business.”

This will enable us to demonstrate that our money is spent wisely. We will work closely with Economic Development and service areas throughout the Council to encourage local companies and organisations to compete for Council business, including supporting the Supplier Development Programme.

SECTION 4 – STRATEGY RATIONALE/CONTEXT

This strategy sets out our procurement priorities for the period from 1 April 2020 to 31 March 2021. We will continue to provide and arrange innovative and flexible, quality goods, works and services that are responsive to the needs of our community and deliver optimum value for money.

This strategy will ensure that legislative obligations are complied with including:

- A requirement to publish a procurement strategy and action plan
- Aligning the procurement objectives to the 5 strategic areas defined in the Scottish Governments Public Procurement Reform Agenda
- A requirement to maintain a public contracts register on our external website
- Compliance with the increasing scope of regulated procurements
- A requirement to publish an annual procurement report
- The need to meet the sustainable procurement duty

This procurement strategy has been developed to deliver the strategic vision detailed in East Ayrshire Council's Community Plan 2015 to 2030. The Community Plan is the sovereign planning document for the East Ayrshire area, providing the overarching strategic policy framework for the delivery of services.

Underpinned by our Single Outcome Agreement, it sets out the ambitions for East Ayrshire with the aim of delivering and achieving improved outcomes and comes at a time when East Ayrshire Council face many challenges, not least reducing funding for the public sector.

Comprehensive engagement with communities, partners and other stakeholders in the development of the Community Plan has confirmed the following as the key priority areas on which East Ayrshire Council will focus the delivery of its services over the lifetime of the Plan:

- Economy and Skills
- Safer Communities
- Wellbeing

Although improvements have been delivered, the Council still faces significant challenges over the coming years and achievement of the Council's strategic objectives will be difficult, as increasing demands for services are balanced against reducing budgets and resources.

The Council's Transformation Strategy 2017 – 2022 recognises the substantial challenges from a long term decline in revenue funding, changing demographics and increased levels for demand of services. The scale of these challenges continues to grow and as such the new transformation strategy acknowledges that there is a pressing need for a more fundamental shift in the way that public services are delivered.

It is also accepted that planned legislation will have a significant bearing on Council services how they are delivered and this will introduce further opportunities and risks to service structures and current funding arrangements. The rate of change is significant and the impact on local government and the wider public sector will be substantial.

On 8 April 2019 the Cabinet Secretary for Transport, Infrastructure and Connectivity [announced £103 million of investment in the Ayrshire Growth Deal](#). As part of this, the Scottish Government will be investing up to £3 million in a Community Wealth Building Fund for Ayrshire. This fund will be made available regionally, with activity co-designed between the Scottish Government and the new Ayrshire Regional Economic Partnership (REP).

It is therefore imperative that the procurement strategy aligns with the priorities as detailed above which will require to be supported by a well organised and flexible Corporate Procurement function who are able to adapt to considerable external changes.

Following the Covid 19 pandemic and recognising the disruption that this has had on local, national and global businesses, the Council will continue will take all reasonable steps to ensure continuity in the delivery of our current and future tender wave programme whilst also supporting our businesses in partnership with colleagues from Economic Development and the Supplier Development Programme.

SECTION 4- STRATEGY RATIONALE/CONTEXT

This strategy sets out how East Ayrshire Council will ensure that its regulated procurements will:

- Contribute to the carrying out its functions and achievements of its purposes
- Deliver value for money
- Be carried out in compliance with its duties to treat relevant economic operators equally and without discrimination

The Procurement Reform (Scotland) Act 2014 embodies and encapsulates a significant element of the continuing Public Procurement Reform Programme. The Programme centres on the Scottish Model of Procurement, which puts procurement at the heart of Scotland's economic recovery. It sees procurement as an integral part of policy development and service delivery. It is a simple concept - business friendly, socially responsible. Looking at outcomes not outputs, it uses the power of public spend to deliver genuine public value beyond simply cost/quality in purchasing.

The Act has established a national statutory and legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering economic, social and environmental benefits including community benefits, supporting innovation and promoting processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly.

Scottish Procurement



Scottish Model of Procurement



SECTION 5 – STRATEGIC AIMS, OBJECTIVES & KEY PRIORITIES

The purpose of this strategy is to set out a strategic procurement framework for the Council which complements the Community Plan. This plan sets out how our agreed local outcomes will help support the Scottish Government's National Performance Framework. The Single Outcome Agreement (SOA) underpins the Community Plan which has been built on the four pillars of public sector reform, identified through the work of the Commission on the Future Delivery of Public Services (Christie Commission), which will intensify the focus on improving service outcomes for local people in East Ayrshire and Scotland, namely:

- A decisive shift towards **prevention**
- Greater integration of public services at a local level, driven by better **partnerships** collaboration and effective local delivery
- Greater investment in the people who deliver services through enhanced **workforce development** and effective leadership
- A sharper focus on improving **performance**, through greater transparency, innovation and use of digital technology

Each of the above priority areas is directly supported by the Council service departments. The Corporate Procurement Team supports these departments by making sure their requirements for goods, works and services are procured in the most effective and efficient way to maximise and deliver best value.

For the purposes of this strategy, the Council has 5 key strategic procurement objectives:

- Legal, Compliance and Governance
- Economic Growth and Sustainability
- Procurement Capability and Improvement
- Maximising Savings and Benefits
- Collaboration

Each objective is mapped to the 5 strategic areas as defined by the Scottish Government's Public Procurement Reform Agenda namely: Access, Sustainability, Developing People and Capability, Savings and Benefits, Efficiency and Collaboration.

SECTION 5 - STRATEGIC AIMS, OBJECTIVES & KEY PRIORITIES

Objective 1 – Legal Compliance and Governance

Spending public money requires high levels of probity and accountability, supported by a framework of mechanisms to ensure that standards are met. This includes scrutinising the procurement processes and monitoring the outcomes of procurement activity, and assessing and disseminating the impact of legislative and regulatory changes.

Strategic Aims

- To implement the statutory and legislative requirements derived from The Procurement Reform (Scotland) Act 2014 and The Public Contracts (Scotland) Regulations 2015.
- To ensure that procurement activities reflect and support the Council's core values, corporate aims and objectives.
- Ensure clearly defined processes and procedures and delegation of authority for procurement is embodied in Standing Orders for Contracts and Financial Regulations.
- Implement and monitor the Council's procurement strategy and action plan.
- To ensure procurement procedures reflect developments in legislation and EU guidance, and provide a robust framework to support the probity of Council spending.
- To protect the Council from exposure to challenge or legal action by clearly determining the accountabilities and responsibilities of officers involved in procurement activity, monitoring and enforcing compliance with those responsibilities.

Objective 2 – Economic Growth and Sustainability

The Council has an obligation is to manage its' spend effectively to bring social, environmental and economic regeneration to the communities we serve. The local challenge is huge in terms of balancing and promoting open, fair and transparent procurement whilst ensuring that the local communities benefit. The Council will actively support local businesses to help them bid for work with the Council, seeking to ensure that the most appropriate route to market is taken each time. Due consideration will be given to sustainable alternatives, carbon reduction and community benefits during the procurement process to support the Councils priorities in relation to social, environmental and development.

Strategic Aims

- To ensure compliance with the Procurement Reform (Scotland) Act 2014 in relation to the Sustainable Procurement Duty.
- To embed sustainability in all regulated procurement activity, including consideration of Fair Working Practices, Promotion of Equalities, Community Benefits, Health and Wellbeing, Ethically Traded Goods and Services, Promoting Payment of the Living Wage, Whole Life Costing, Environmental (Waste Management and Recycling, Biodiversity, Built Environment and Heritage). Excluding companies actively engaged in Blacklisting activities.
- SME's, third sector, social enterprises, supported businesses and the local business community will be encouraged and supported in their efforts to engage commercially with the Council.
- The Council will demonstrate leadership and corporate social responsibility by procuring sustainably and ethically whilst encouraging and influencing our suppliers, contractors and service providers to do the same.
- The Council will use its contract and supplier relationship management processes to improve social, economic, environmental and sustainable arrangements within current and future contract opportunities.
- We are committed to sustainable procurement by ensuring social, economic and environmental issues are considered during all stages of the procurement process.
- Promote sustainable procurement by utilising the Sustainability Prioritisation Toolkit.
- To maximise the opportunities for securing training and employment, business start-ups and business growth through the inclusion of Community Benefits within our tender processes.
- To support Inclusive Growth by working more closely with Economic Development and other 'anchor' organisations such as Hospitals, Universities and Colleges and Large Commercial Employers by harnessing our spending power in terms of buying from local and or socially progressive businesses within the supply chain. Engaging and liaising with these organisations regarding employment opportunities, use of land and property assets to benefit the local economy.
- To provide any additional procurement support, advice and guidance to businesses both during and following the Covid 19 pandemic.

Objective 3 – Procurement Capability and Improvement

Many staff across the Council are involved in significant procurement, commissioning and contract management. As such training and education in procurement has a crucial role to play in ensuring that relationships with procurement client groups – senior management, internal and external suppliers and customers are managed effectively. Ensuring competency and knowledge exist at an appropriate and proportional level wherever procurement activity is being undertaken is an objective of this strategy. Procurement competence development and continuous professional development will be directly linked to skills assessment.

Continuous improvement and innovation are the objectives of performance management with the ultimate aims of reducing costs and improving services.

Strategic Aims

- We will take a structured and co-ordinated approach to education, training and development for all officers with procurement responsibilities across the Council.
- Regular procurement training programmes (internal and external) will be provided to ensure that staff engaged in procurement related activities have the requisite skills to undertake their job.
- To develop individual and team objectives reflecting the procurement strategy including - personal development reviews, service plans and continual training opportunities.
- To ensure that all information is uploaded regularly into the Spikes Cavell data hub.
- Monitor procurement activity and regularly report contract performance, issues and risks.
- Participate in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP) every 2 years.
- Monitor overall compliance by all parties to the terms of the agreement and contract, refining and improving KPI's, SLA's and service delivery through honest, open communication, delivering improvements to both parties.

Objective 4 – Maximising Savings and Benefits

The Corporate Procurement Team will develop individual commodity strategies by actively engaging with service users. Consideration of key corporate objectives such as collaboration, finance/budget, market analysis, spend analysis, risk assessment, sustainability, promotion of SME's, equalities, community benefits will systematically address these issues which will ultimately drive specification improvements, innovation and service delivery/re-design which are measurable over time.

The Council also recognises the importance of robust contract and supplier management as one of the enablers to delivering a positive customer experience through our supply partners and maintaining value for money through the life of a contract. Developing an appropriate relationship style and ensuring the effort invested in contract management is proportional to the risk, value and customer impact of the contract, is a considered procurement priority. Contract monitoring and supplier reviews are vital to ensure agreed outputs and outcomes are being delivered. Every contract awarded by the Council will have an identified contract administrator who is responsible for reviewing contract performance. Pro-active contract management practices will enable all parties to meet their contractual obligations.

Strategic Aims

- To develop and implement category/commodity strategies which support the Council's corporate objectives.
- To identify opportunities for local collaboration and to support sectoral and national collaborative contracts.
- Utilise management information to target spend that may be influenced by procurement.
- Ensure the Council's contract and supplier management activities are effectively used to deliver savings and added value.
- Consider more effective commercial evaluation models within the tender process to encourage innovation, benefits and savings.
- Work in partnership with Service Departments to identify Purchase to Pay improvements, efficiencies and potential cost savings.

Objective 5 – Collaboration

The Council is committed to working collaboratively and developing links between local authorities and other public, private, voluntary and third sectors as a way of providing more flexible and cost effective services. We will seek to collaborate with external bodies to consult, share best practice, learn from experiences and develop good working relationships to enhance service provision and meet the needs of service users. We will continue to work with our collaborative partners Scottish Procurement, Scotland Excel, North and South Ayrshire Councils (C1 collaborative partners) and we will continue to make use of their framework contracts as appropriate where they deliver best value to the Council.

Strategic Aims

- To identify opportunities for local collaboration and to support sectoral and national collaborative contracts.
- Continue to work with our partners within the Integrated Health and Social Care Partnership to deliver their strategic priorities.
- Consideration will be given to alternative delivery mechanisms eg: shared services, managed services.
- Regularly liaise and engage with our supply chain who will be encouraged to work with us to ensure that they have adequate capabilities to ensure that they are not disadvantaged in the procurement process.
- To support Inclusive Growth by working more closely with Economic Development and other 'anchor' organisations such as Hospitals, Universities and Colleges and Large Commercial Employers by harnessing our spending power in terms of buying from local and or socially progressive businesses within the supply chain. Engaging and liaising with these organisations regarding employment opportunities, use of land and property assets to benefit the local economy.

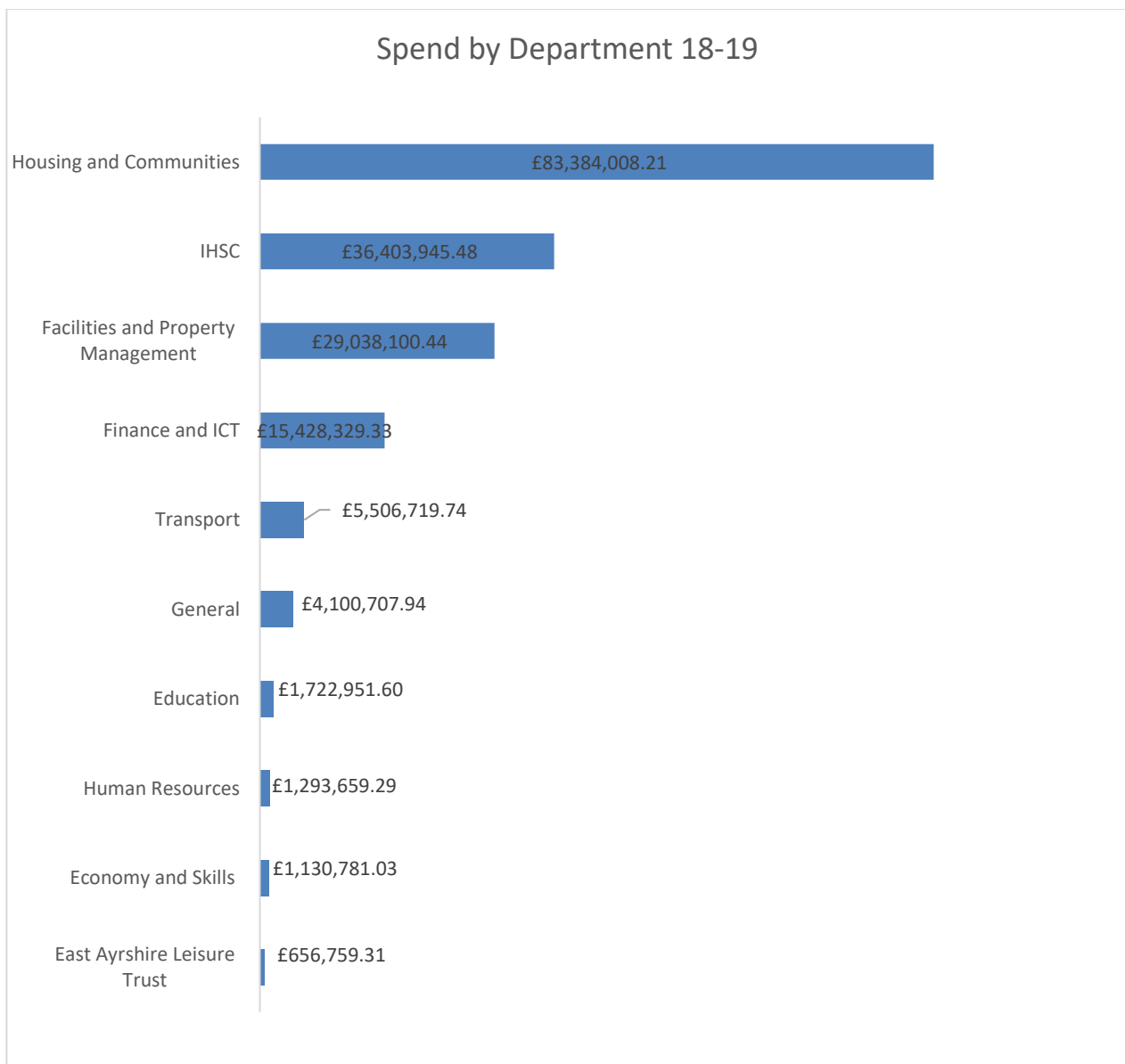
SECTION 6 – SPEND/FINANCE

Note: (The last available spend figures through both Spotlight on Spend and the Council's Annual Accounts are for 2018-19).

Total Spend: £ 178,665,962.37

The Council purchases a variety of goods, works and services. The following diagram illustrates spend by Service Department.

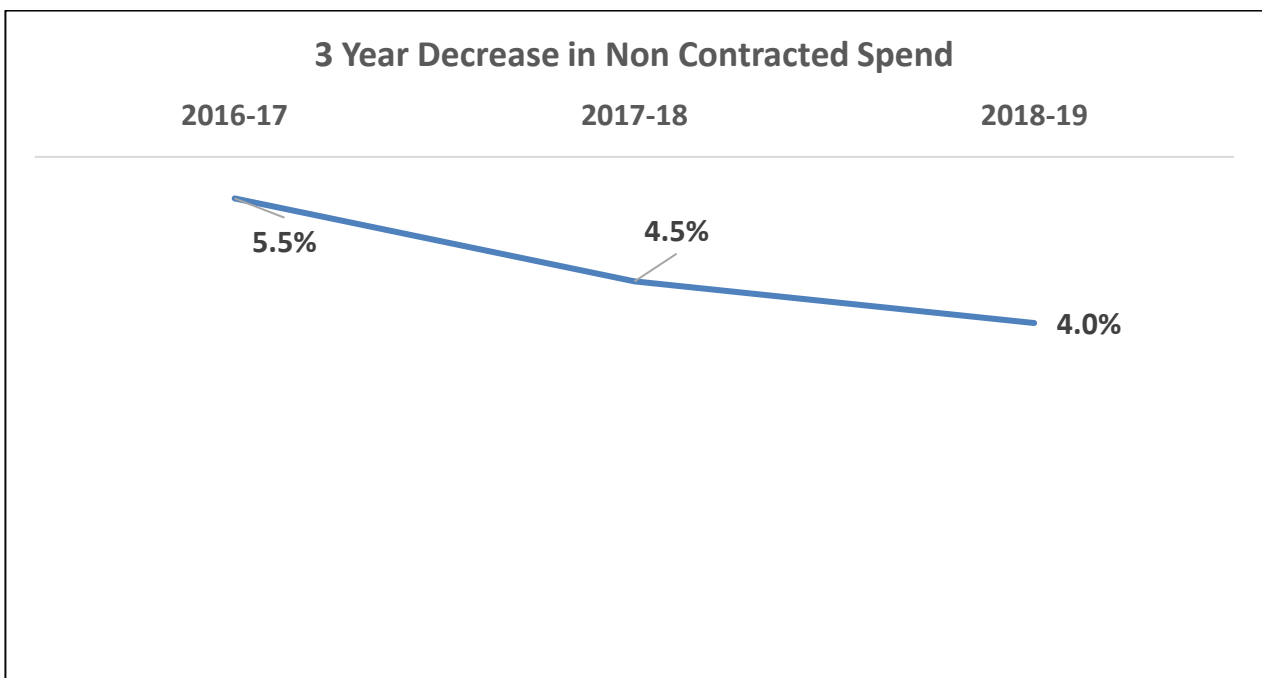
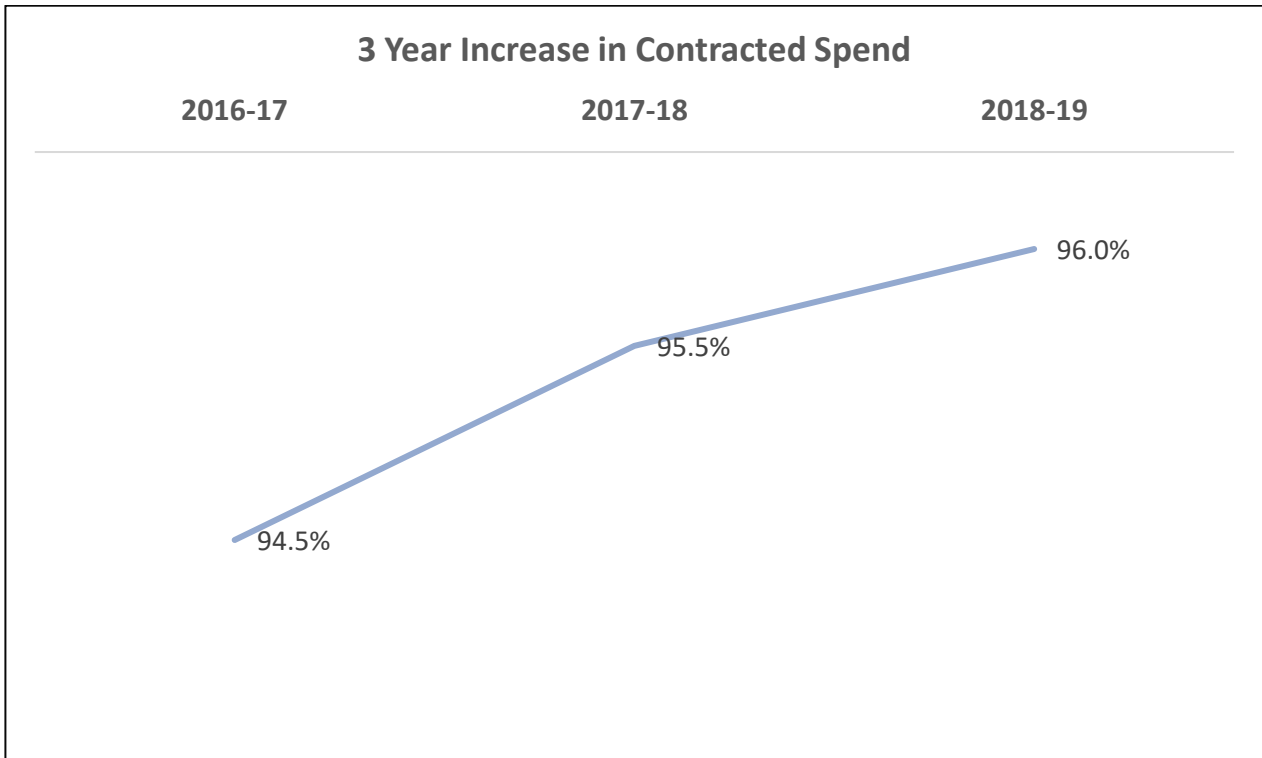
East Ayrshire Council Spend by Service Department:



SECTION 6 – SPEND/FINANCE

East Ayrshire Council Contracted and Non-Contracted Spend:

The Council continue to analyse, monitor and review its' spend data which allows it to make informed decisions on how procurement activities within the organisation can be improved. Whether this be the implementation eContract and Supplier Performance Management or eInvoicing solutions, spend analysis data help identify these opportunities.

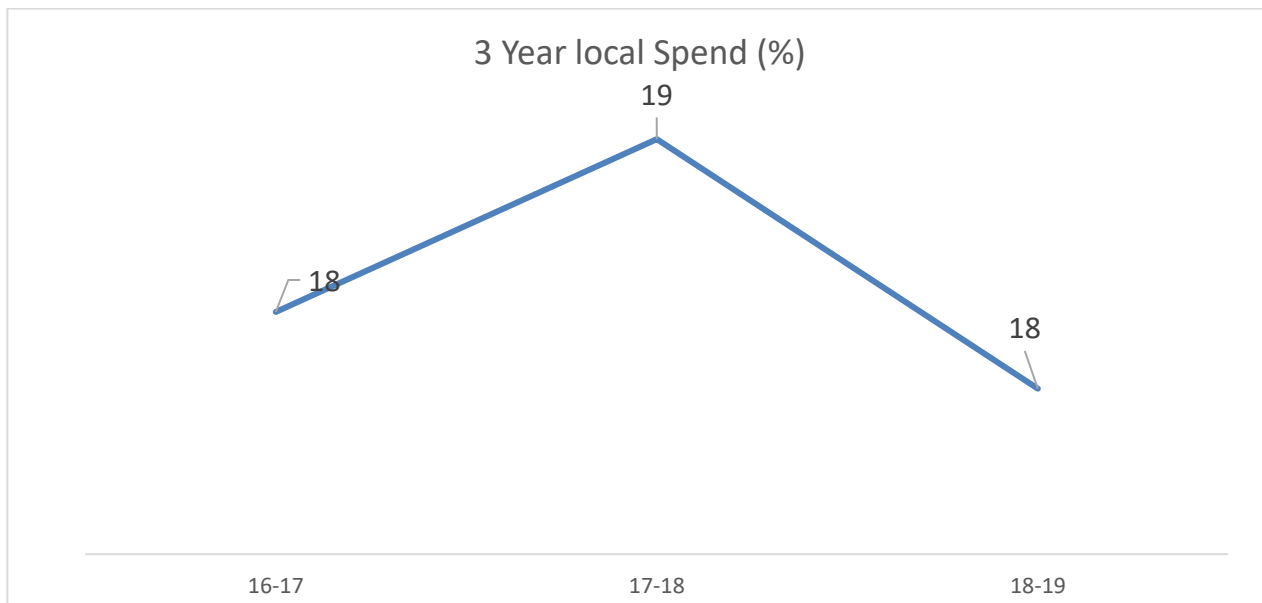
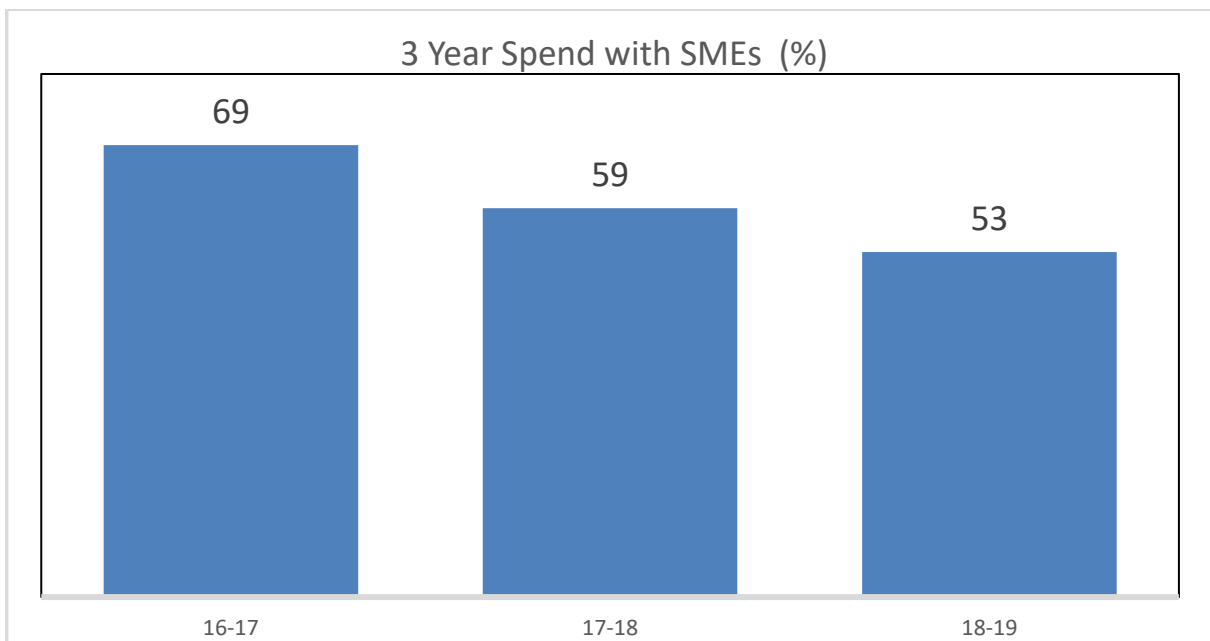


SECTION 6 – SPEND/FINANCE

East Ayrshire Council SME Spend:

The Council is committed to using its purchasing power to contribute to the growth of both local and national companies, with a particular focus on small and medium enterprises (SME's).

Data analysis has shown a decrease in spend with SME's over the last 3 years and the Corporate Procurement Team continue to work closely with colleagues within Economic Development and the Supplier Development Programme to provide support, guidance and training for SME's to enable them to do business with the Council.



SECTION 7 – RECOMMENDATIONS AND OTHER CONTENT FOR CONSIDERATION

Procurement Priorities

The Corporate Procurement Team will continue to work with all Council services to prioritise their procurement requirements in line with budgets and to ensure compliance with EU Procurement Directives, they will ensure that all high spend requirements are covered by appropriate contractual arrangements.

The procurement transformation work stream will significantly influence and inform measures which will be adopted in order to reduce and mitigate risk, deliver best value and maximise potential for procurement savings and efficiencies. We will work with the service areas to maximise the benefits of better procurement practices to improve both performance and value.

Designated contract administrators within service areas are responsible for managing their procurement arrangements which must comply with corporate governance and policy arrangements and procurement legislation. The Corporate Procurement Team will continue to support colleagues with all procurement and contract management related activity and will offer support and guidance when required.

The Corporate Procurement Team will continue to review annual spend and identify appropriate areas for contractual opportunities, we will also meet with our service departments on a regular basis to review contractual arrangements. We will continue to facilitate the tendering process from contract specification development, tender evaluation panels, contract award to contract exit. We will provide regular training, guidance and support to all service departments.

We are committed to exploring the potential for community wealth building as an approach to deliver inclusive growth across Ayrshire. This will involve working with partnerships of public and private sector anchor institutions, focussing on their role in their local and regional economies as employers, purchasers, asset owners and enablers of wider economic activity. Anchor institutions are large employers or purchasers who are “anchored” in a locality by virtue of their nature (local authorities, health boards), history or supply chains.

At the heart of the Community Wealth Building approach are five pillars for harnessing existing resources to enable local economies to grow and develop:

1. Procurement - Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise. These types of businesses are more likely to support local employment and have greater propensity to retain wealth and surplus locally.
2. Employment - Recruitment from lower income areas, commitment to paying the living wage and building progression routes for workers are all examples of the actions anchor institutions can take to stimulate the local economy and bring social improvements to local communities.
3. Land and Assets - Anchors are often major land holders and can support equitable land development and the development of under-utilised assets for community use.
4. Financial Power - Local Wealth Building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally.

SECTION 7 – RECOMMENDATIONS AND OTHER CONTENT FOR CONSIDERATION

5. Democratic Ownership of the Local Economy - Cooperatives, mutually owned businesses, SMEs and municipally owned companies enable the wealth generated in a community to stay in that locality and play a vital role in counteracting the extraction of wealth.

A pan-Ayrshire working group was established in May 2019 to take a partnership approach to project development. The group includes representation from each Council, including the Regional Skills and Inclusion Programme lead and the AGD PMO to ensure wider coordination. The group will bring in wider partners (for example, the enterprise and skills agencies) and wider Council colleagues as appropriate (eg: Procurement and HR). Scottish Government participate in the working group when appropriate.

The three Councils are already embarking on their own CWB journeys but by working together we can deliver change across Ayrshire as a whole by working with our public and private sector anchor institutions. This will be achieved through taking a pan-Ayrshire approach to shift the culture and approach of traditional economic development to enable and facilitate place based local economic development.

Whilst the public sector has key role in enabling the conditions for an inclusive economy and use our own economic levers to advance the local economy, the private sector plays a key role in delivering jobs and creating growth. As such, we believe CWB provides us a lens in which to encourage business-led inclusive growth, by working with our business base and local communities to develop plans for meaningful work, diversity of business models and successful places

We want Ayrshire to be an inclusive growth region and the CWB has a key role in catalysing that ambition. Ultimately our priority outcome is to enhance the inclusiveness of the region, to build local wealth and to galvanise the regional economy.

The Covid 19 pandemic has been unprecedented and as such will have significant impacts and economic challenges. The months ahead are likely to be quite volatile and dynamic.

Planning for the recovery period is going to be critical in the weeks ahead, so that we can develop robust recovery plans and ensure we get the timing of future proactive procurement activity right.

We will continue to offer support, advice and guidance to our suppliers, service providers and contractors who have faced severe disruption to their businesses. We will work to ensure that any cash flow issues being experienced are considered in accordance with SPPN 5 /2020 which was issued by the Scottish Government on 26 March 2020.

SECTION 8 – IMPLEMENTATION, MONITORING, REVIEWING AND REPORTING

The Strategy objectives and the targeted outcomes will be monitored via an action plan. Performance against this action plan will be reviewed, reported to and monitored by the existing procurement governance structure detailed below:

- Annually to Cabinet

The Annual Procurement Report will subsequently be reported as follows:

- Annually to the Governance and Scrutiny Committee
- Annually to the Scottish Minister

The Governance and Scrutiny Committee will facilitate the escalation of any issues that may prevent the delivery of the desired outcomes.

- The delivery of the action plan will also be subject to review by Internal Audit.
- As well as the above, we will continue to use our existing Key Performance Indicators to manage, track and measure continuous improvement.
- The delivery of the action plan will demonstrate the effective implementation of the Strategy.
- In line with the statutory guidelines under the Procurement Reform (Scotland) Act 2014, the Council will review the Strategy annually and will make such revisions as it considers appropriate for the purposes of section 15 to 21 of the Act and to ensure continued alignment with Council objectives and priorities. Any significant changes will be reported to the Council's Cabinet.

SECTION 9 – STRATEGY OWNERSHIP & CONTACT DETAILS

The contact/s for this Strategy is:

David Mitchell
Chief Governance Officer
Department of the Chief Executive
East Ayrshire Council
London Road
Kilmarnock
KA3 7BU

Tel: 01563 576061

Email: david.mitchell@east-ayrshire.gov.uk

Lesley McLean
Corporate Procurement Manager
Department of the Chief Executive
East Ayrshire Council
London Road
Kilmarnock
KA3 7BU

Tel: 01563 576183

Email: lesley.mclean@east-ayrshire.gov.uk

SECTION 10 – POLICIES, TOOLS & PROCEDURES

East Ayrshire Council delivers its services against a defined set of policies, plans and strategies. As well as conforming to legislative aspects, the council also maintains an input into the broader aspects of policy making in public services and community involvement - often working in partnership with Government, other public bodies, the local community and the private sector.

The majority of procurement activities will continue to support and promote relevant Council policies most of which are embedded within existing procurement strategies, policies, processes and procedures. Current strategies, policies and procedures are set out below:

[Community-Plan-2015-2030.pdf](#)

[Standing Orders Relating to Contracts and Financial Regulations.pdf](#)

[Transformation Strategy 2017-2022.pdf](#)

[Health and Safety Policy 2018.pdf](#)

[EconomicDevelopmentStrategy2014-2025.pdf](#)

[Equal Opportunities Statement.pdf](#)

[SME Guidance Procedure.pdf](#)

[East Ayrshire Council Constructive Market Engagement Guide.pdf](#)

[Energy Strategy and Carbon Management Programme.pdf](#)

<http://www.gov.scot/Topics/Government/Procurement/policy>

<https://www.gov.scot/policies/public-sector-procurement/construction-procurement/>

<http://www.gov.scot/Topics/Government/Procurement/policy/SocialCareProcurement>

The Council have also embedded various tools within the strategic procurement process to assist and ensure best value. Utilisation of the tools supports compliance with the mandatory requirements of The Procurement Reform (Scotland) Act 2014.

Procurement Tools/Toolkits

<https://www.procurementjourney.scot/>

<http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/Sustainability/ScottishProcess/SustainableProcurementTools>

<http://www.gov.scot/Topics/Government/Procurement/eCommerce/PublicContractsScotland-Tender>

<http://www.gov.scot/Topics/Government/Procurement/eCommerce/ScottishProcurementInformationHub>

Scottish Government Manuals and Procedural Guidance

The Council recognise the on-going work of the Scottish Government in relation to the public sector procurement, we will continue to ensure that any statutory or legislative requirements are adhered to and we will continue to embed any best practice guidance as appropriate.

<http://www.gov.scot/Topics/Government/Procurement/policy/SPPHandbook>

<http://www.gov.scot/Topics/Government/Procurement/policy/SPPNSSPANS>

<http://www.gov.scot/Topics/Government/Procurement/policy/procurementpolicyguidance>

SECTION 10 – POLICIES, TOOLS & PROCEDURES

Mandatory Compliance with the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations

To comply with the legislation, the Council must observe a number of general duties and comply with specific obligations which will be embedded into the Action Plan but are detailed below for clarity:

Ensuring Regulated Procurement Activity Delivers **Value for Money**

The application of best practice and undertaking key strategic activities shall ensure best value for the Council. We will continue to undertake the following practices:

- Develop commodity strategies
- Early market engagement
- Consideration of 'Lotting' strategies to maximise inclusion of SME's, third sector, charity and voluntary organisations within the tender process
- Include community benefits in all regulated procurement activity
- Promote and champion sustainable and environmental considerations
- Challenge the demand for goods, works and services
- Consider alternative delivery models eg: shared services, managed service
- Evaluate tender submissions using the Most Economically Advantageous criteria
- Continue to embed contract management and supplier performance across the contract portfolio
- Review innovative and commercial proposals

Economic Operators shall be treated **Equally and without Discrimination**

All procurement activity carried out by the Council shall comply with the Standing Orders on Contracts, EU Procurement Directives, the Procurement Reform (Scotland) Act 2014 and shall be in accordance with relevant statutory guidance and best practice principles.

Procurement will be carried out in a **Transparent and Proportionate Manner**

East Ayrshire Council's Procurement Code of Ethics enforces the commitment to ensure all procurement activity is carried out in a transparent and proportionate manner.

[EAC Procurement Code of Ethics.pdf](#)

The Council shall comply with the **Sustainable Procurement Duty**

To ensure compliance with this duty, the Council will give consideration to the environmental, social and economic issues relating to all regulated procurement activity.

All regulated procurements are subject to the development of a commodity strategy and sustainable options are deliberated and summarised eg: how the procurement activity can facilitate involvement of SME's, third sector, charity and voluntary organisations, inclusion of community benefits, promotion of innovative techniques and technologies, environmentally friendly products etc.

SECTION 10 – POLICIES, TOOLS & PROCEDURES

The Scottish Government have provided sustainability toolkits for use within the public sector eg: sustainability test, prioritisation toolkit and the flexible framework. The Council will make use of the toolkits when developing the procurement commodity strategies.

<http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility>

Maximising the use of **Community Benefits**

The Council is committed to maximising Community Benefits through its procurement activities. This will be achieved through the inclusion of specific clauses within contracts. Community Benefit clauses have, to date, been predominantly included within Works contracts.

The Council have 'informally' adopted the Client Based Approach which has been developed by the National Skills Academy for Construction in conjunction with CITB-Construction Skills within our Capital Works Programme. This approach is designed to be used for construction procurement activity to aid the creation of employment and skills, including apprenticeships, S/NVQ's and work placements which are relevant and proportionate to the contract. Whilst the focus of the Client Based Approach is on employment and skills, a wider range of benefits are being also being considered eg: promotion of opportunities for SME's, Social Enterprises, Third Sector and Charity and Voluntary Organisations.

As part of the Client Based Approach, the Council are utilising the benchmark target outputs against fourteen (14) employment and skills categories. The benchmark targets are being used within our construction projects as 'minimum employer's requirements.

It is also the intention to incorporate Community Benefit clauses where appropriate into all regulated contracts.

Successful suppliers, contractors and service providers will be required to provide regular monitoring information to the Corporate Procurement Team outlining progress of delivery of Community Benefits. This will subsequently inform the Annual Report as mandated by the Procurement Reform (Scotland) Act 2014.

Consulting and Engaging with those affected by Procurement

The Council continues to engage with its' Community Planning Partners, internal and external stakeholders, SME's, third sector, charity and voluntary organisations and local community groups.

We shall continue this engagement, liaison and dialogue at various stages of the procurement process where appropriate.

Payment of the **Living Wage**

The Council are an accredited Living Wage employer and as such recognises the value of a well-motivated and dedicated workforce both within its' own organisation and those organisations who provide goods, works and services to the Council.

SECTION 10 – POLICIES, TOOLS & PROCEDURES

The Council shall comply with the Scottish Procurement Policy Note (SPPN4/2015) and statutory guidance in relation to addressing fair working practices, including the living wage in procurement.

Compliance by contractors and sub-contractors with the **Health and Safety at Work Act**

We are committed to contracting with suppliers, contractors and service providers who comply with all relevant legislation, including Health and Safety.

Health and Safety is a fundamental part of the tendering process and is evaluated accordingly.

Procurement of **Fairly and Ethically Traded Goods or Services**

On developing the procurement commodity strategies, consideration shall be given to sourcing goods and services which are fairly and ethically traded. Where appropriate, we shall include standards and labels e.g.: Fairtrade to adopt fair and ethical trading considerations.

Improve **Health, Wellbeing and Education of Communities and Promotion of Animal Welfare**

East Ayrshire Council in addition to the requirements of the procurement legislation, have over a number of years developed a more sustainable approach to the use of food in schools and Council premises and have worked with the Soil Association and the development of their Food For Life standard. East Ayrshire Council are the only Authority in the UK that has retained the Food for Life Gold Standard for over 10 years, since 2008. The Food for Life Scheme promotes:

- The use of freshly prepared recipes
- Meeting the needs of a variety of diets
- Products that are free from GM and undesirable additive
- Improving craft skills of catering staff
- The support of higher welfare standards for eggs, chicken and pork
- The support of higher welfare standards and farm assured schemes for meat and dairy
- Sustainable fishing
- The promotion of fresh, seasonal and non-meat aspects of the menu

The Council are continuing their sustainable approach to school meals and have a desire to maintain, support and promote the values of the Food for Life program. Therefore high quality food that demonstrates, higher welfare standards and an ethical approach to farming and production supports the values of the Council.

We will continue to investigate practical ways to supply healthy, fresh, seasonal and sustainably grown food which represents value for money and improves the health, wellbeing and dietary education of our employees and members of our communities.

SECTION 10 – POLICIES, TOOLS & PROCEDURES

The Provision of **Prompt Payment**

The Council shall comply with late payment legislation which places a statutory duty on all public bodies to pay commercial debt within 30 calendar days of receipt of a valid invoice. The Council have adopted a 28 day payment target which is aligned to the current 4 weekly budgetary control cycle.

Prompt payment clauses are embedded within our contractual terms and conditions, supplier, contractors and service providers are also required to apply the same terms and conditions to their sub-contractors.

The Council have already implemented automated payment technologies such as intelligent scanning and cXML in order to ensure compliance with Directive 2014/55/EU Electronic Invoicing in Public Procurement.

The review of Scottish Public Sector Procurement in Construction noted that the construction sector suffers from endemic late and extended payment terms. Scottish Procurement have issued a Policy Note (SPPN10/2016) in relation to implementing Project Bank Accounts in Construction Projects for relevant bodies to which the Scottish Public Finance Manual applies (it is not a mandatory requirement for the Council). However in line with best practice principles, the Council shall comply with the Scottish Procurement Policy Note (SPPN10/2016) which will ensure that monies are distributed amongst the supply chain and into the economy more quickly.

Adoption and Promotion of the **Charter against Modern Slavery**

In May 2019, the Council approved the Charter against Modern Slavery. East Ayrshire Council is committed to participating in Charter against Modern Slavery. The Council aim is to build a reputation as leaders in procurement, securing innovation, agility, value for money and quality of services from our supply base. We will develop a culture where efficiency and continuous improvement are at the heart of how we do business, and have a zero tolerance approach to slavery and human trafficking.

Our Modern Slavery Commitments set out what we commit to do to combat and prevent modern slavery and human trafficking in the Council's corporate activities. The objective of the Commitments is to confirm the effective steps the Council is taking to tackle modern slavery in its supply chain

The [Modern Slavery Act 2015](#) improved support and protection for victims, helped law enforcement target perpetrators and made sure those involved can be punished.

The Council also aim to go beyond tackling modern slavery and human trafficking in commercial activity and has agreed a multi-agency approach through the East Ayrshire Violence Against Women Partnership (EAVAWP) to address Modern Slavery through [human trafficking](#) which provides guidance for employees and members of the public on reporting awareness of these issues.

SECTION 11 – APPENDICES

East Ayrshire Council, acting in a transparent and proportionate manner shall actively encourage competition and achieve value for money by publishing its' 2 year wave plan, this plan sets out the procurement activities/projects which are to be delivered by the Council.

By publishing the wave plans the Council are also hoping to identify and maximise collaborative opportunities with other public sector bodies.

It should be noted that the wave plan is also available electronically via the Public Contract Scotland portal.

[2 Year Waveplan 01 04 2020 To 31 03 2022 Public Version.pdf](#)

The Council have a legal obligation to hold and publish a copy of its contract register. The register is updated on a weekly basis internally, it is also available via the Public Contract Scotland portal and the Council internet and is published on these sites on a quarterly basis.

[East Ayrshire Council Contract Register.pdf](#)

Glossary of Terms

There are a number of procurement specific terms used throughout this strategy. These terms are defined below:

TERM	DEFINITION
Commodity	Taxonomy (classification) for the entire Council, to give the Council the ability to accurately describe the primary business activities of their suppliers. The commodity approach presently used by the Council was defined back in 2006 and remains in force today.
Community Benefits	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits.
Community Wealth Building	Ensuring workers are paid a Living Wage, employers invest in skills and training, organisations' and businesses invest in the productive economy rather than financial speculation and it is about exploring alternative methods of economic growth and economic governance.
Contract and Supplier Management	Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.
SME's	Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.
Sustainability Prioritisation Toolkit	The prioritisation tool is designed to assist early stage strategic planning, and brings a standard, structured approach to the assessment of spend categories
Sustainable Procurement	A process whereby organisations meet their needs for goods, works and services in a way that achieves value for money on a whole life basis which generates benefits, not only for the organisation but also to society, the economy and the environment.
Whole Life Costing	Is a toolkit/technique used to establish the total cost of acquisition and ownership. It is a structured approach which addresses all the elements of cost and can be used to produce a spend profile of the product over its anticipated lifespan.
Wave Plan	List of upcoming procurement activity including re-tenders, extensions and any new activity.