

Report To: Policy and Resources Committee
Report By: Corporate Director
Improvement and Performance

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Subject: Approval to advertise Specific Contracts on Procurement Scotland's National Advertising Portal

1.0 PURPOSE

1.1 The purpose of this report is to seek approval, as per Standing Order 6.1 of the Council's Standing Orders Relating to Contracts, for Corporate Procurement to advertise two specific contracts on the Public Contracts national advertising portal established by the Scottish Procurement Directorate National Centre of Expertise (Procurement Scotland).

2.0 SUMMARY

2.1 Procurement Scotland's national advertising portal was created following the recommendation contained within the McClelland report of 2006 that a single "public sector electronic advertising portal" be established.

2.2 At present the Council purchases many supplies, services and construction works from approved lists. A move from the use of lists to advertising contract opportunities will impact on our corporate approach to procurement.

2.3 As a pilot, Corporate Procurement wish to advertise two contracts on this portal to identify the advantages as well as any disadvantages in this form of advertising and in particular to identify any cost benefits.

3.0 Recommendations

3.1 Authority be granted to advertise the undernoted contracts as per Standing Order 6.1 of the Council's Standing Orders Relating to Contracts, on the Public Contracts Scotland national advertising portal:

- Security – Estimated total spend £600,000 over the 3 year contract.
- Portable Appliance Testing – Estimated total spend £80,000 over the 2 year contract.

4.0 Background

4.1 Procurement Scotland's national advertising portal was launched in October 2008. At present 20 out of the 32 councils within Scotland are actively using the portal to advertise contracts, as well as other public sector agencies. The Scottish Government is driving this project with the ultimate aim of having all 32 councils and other public sector agencies using the portal by December 2010. The portal is free to use for suppliers and purchasers.

4.2 The key drivers behind the use of the portal are:-

- Stimulate **competition** which would benefit suppliers, the public sector and the economy as a whole.
- Provide a "**one stop shop**" for suppliers to obtain details of contracting opportunities.
- McClelland Report 2006.
- To achieve a more transparent contracting process and provide **stronger communication** links between buyers and suppliers.
- To provide management information to public sector organisations.
- Simplify agreed **Best Practice Indicators**.
- **Adherence to EU Rules** in particular the obligation to advertise contracts which fall below the EU Procurement thresholds if they may be of interest to suppliers in other EU Member States.

4.3 The Scottish Government is expecting all public sector bodies to be advertising all contracts through the portal by December 2010.

4.4 At present the Council purchases many supplies, services and construction works from approved lists. As a side point, some of these lists have expired and require to be renewed. As well as the key drivers set out above, advertising contract opportunities on the portal may reduce the Council's reliance on such lists. However, a move from the use of lists to advertising contract opportunities will impact on our current procurement strategy. Several areas of this strategy are currently under review.

4.5 The pilot will subject to an evaluation process.

4.6 Assuming this advertising method achieves a positive outcome, Corporate Procurement may seek approval to advertise additional contracts on this portal. Both the outcome of this pilot and any further advertising approvals sought will be subject to a separate report to Committee.

5.0 Consultation

5.1 Consultation with Legal Services, HR and Finance has taken place.

6.0 IMPLICATIONS

6.1 **Finance** – A full cost benefits analysis will be carried out and reported back to the Committee after these 2 contract exercises have been undertaken. This will be carried out in conjunction with Finance Services.

Human Resources – Discussions will take place with HR to identify any HR Implications.

Legal - Discussions have taken place between Legal, Corporate Procurement and Procurement Scotland over adopting the portal to advertise future Inverclyde Council contracts. These discussions are at an early stage and currently ongoing.

Equalities – there are no immediate equalities issues arising from this report.