

I refer to the agenda for the meeting of the Policy & Resources Committee to be held on Tuesday 16 June 2009 and attach report as undernoted which was not available on the day of issue.

ELAINE PATERSON
Head of Legal & Administration

Undernote

4. **Procurement Scotland - National Frameworks**
Report by Corporate Director Improvement & Performance

Enquiries to - **Sharon Lang** - Tel 01475 712112

Report To: Special Policy and Resources Committee

Date: 16 June 2009

Report By: Corporate Director Improvement and Performance

Report No: POL/32/09/PW/JL

Contact Officer: Justin Lilley

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Subject: Procurement Scotland – National Frameworks

1.0 Purpose

1.1 The purpose of this Report is to request approval from Committee to :-

- i) Participate in the collaborative National Frameworks established by Procurement Scotland on behalf of all Scottish Public Bodies in relation to Category A Commodities.
- ii) Suspend Standing Orders 5.6 & 5.7 of the Standing Orders Relating to Contracts
- iii) Grant authority to the Corporate Director Improvement and Performance to authorise the Head of Legal and Administration to enter into National Frameworks established by Procurement Scotland where the Council's anticipated spend under the contract is below £250,000.
- iv) Delegate authority to the Head of Legal and Administration in terms of Standing Order 10.2(ii) to enter into National Frameworks established by Procurement Scotland, as detailed in 2.4 of this Report, on behalf of the Council where the anticipated contract value exceeds £250,000, provided the Corporate Director Improvement & Performance is satisfied the contract represents Best Value to the Council.

2.0 Summary

2.1 Procurement Scotland was created by the Scottish Government to establish and implement, on behalf of all Scottish Public Bodies, National Frameworks for Category A Commodities. All Scottish Local Authorities are entitled to participate in these National Frameworks.

2.2 To enable Inverclyde Council to participate in the most recently established National Frameworks and share in the potential cost benefits, the Council is required to enter into Participation Agreements with relevant Suppliers.

2.3 Approval was granted at a special Inverclyde Council meeting on 18 December 2008 in relation to 1.1 above to enable the Council to sign participation agreements for the commodities below.

- Stationery
- Paper & Board
- Electricity
- Computer Consumables

2.4 The next wave of Frameworks has been concluded and listed below are those which the Council should sign up to :-

Contract	Anticipated Spend over next 12 months
IT Hardware	£450,000
Office Equipment	£360,000
IT Software	

- I. The IT hardware spend incorporates the PC refresh, expenditure by Economic Development on Hardware and business as usual purchases
- II. The current contract we have for Office Equipment expires within the next 2 years. The figure of £360,000 is our current yearly spend. Signing up to National Framework will allow us to plan ahead and potentially join the Framework early
- III. ICT and Business Transformation have confirmed that they foresee no new software purchases over the 12 months. This should not preclude us from joining the National Framework as this would allow us to procure from the Framework should software be required

2.5 It is recommended that Members agree to suspend Standing Orders 5.6 and 5.7 of the Standing Orders Relating to Contracts and grant authority to the Corporate Director Improvement and Performance to authorise the Head of Legal and Administration to enter into the National Frameworks detailed in 2.4 above, for Category A commodities, established by Procurement Scotland, where the anticipated spend is below £250,000, provided the Corporate Director Improvement & Performance after consultation with the relevant officers is satisfied that the Framework represents Best Value to the Council.

2.6 As set out in Clause 2.4 above, these contracts have an anticipated annual spend above £250,000. Therefore, delegated authority is also sought in terms of Standing Order 10.2(ii) authorising the Head of Legal and Administration to enter into those contracts referred to at 2.4 above where the anticipated spend exceeds £250,000, provided the Corporate Director Improvement & Performance is satisfied that the contract represents Best Value to the Council.

2.7 Corporate Procurement will report back to the Committee on an appropriate basis to show actual spend against projected spend for each National Framework the Council has signed up for.

3.0 Recommendations

3.1 It is recommended that the Committee agree to:

- i) Suspend Standing Orders 5.6 and 5.7 of the Standing Orders Relating to Contracts
- ii) Grant authority to the Corporate Director Improvement and Performance to authorise the Head of Legal and Administration to enter the National Frameworks established by Procurement Scotland where the Council's anticipated spend under the contract is below £250,000, provided the Corporate Director Improvement & Performance is satisfied that the contract represents Best Value to the Council.
- iii) Delegate authority to the Head of Legal and Administration, after consultation with relevant officers, in terms of Standing Order 10.2(ii) to enter into those National Frameworks referred to at 2.4 above on behalf of the Council where the anticipated contract value exceeds £250,000, provided the Corporate Director Improvement & Performance is satisfied the contract represents Best Value to the Council.

Paul Wallace
Corporate Director
Improvement & Performance

4.0 Background

- 4.1 Procurement Scotland was launched in March 2008. It was tasked with developing and implementing procurement strategies for national Category A Commodities on behalf of public sector bodies including local government.
- 4.2 Category A Commodities are defined as:-
 - i) Goods or services across the largely common requirements of users in the public sector in Scotland;
 - ii) Where a single contributing interface facilitates the efficiency and competitiveness of suppliers; and
 - iii) Where the utilisation of contracts established by a single central organisation offers improved cost through consolidated procurement volumes and value.
- 4.3 The next wave of National Frameworks have been concluded by Procurement Scotland as detailed in 2.4.
- 4.4 The Council should participate in these National Frameworks and procure with a view to achieving potential cost savings.
- 4.5 For the Council collectively, and services individually, to realise the full benefits of these Frameworks, the Council requires to formally enter into a Participation Agreements with suppliers for each of the commodities concerned. The procurement of goods from those National Frameworks in 2.4 must be carried out centrally by ICT and Business Transformation.
- 4.6 Pending a review of the Councils Standing Orders relating to Contracts to take account of changes in the law as well as national and local developments in procurement, it is proposed to seek a suspension of Standing Orders 5.6 & 5.7 as permitted under Standing Order 2.8, to enable the Corporate Director Improvement and Performance to authorise the Head of Legal and Administration to enter into National Frameworks on behalf of the Council provided the anticipated spend under the Framework is below £250,000 and the Corporate Director Improvement & Performance is satisfied that the contract represents Best Value to the Council.
- 4.7 The Corporate Director Improvement and Performance will report to Committee for information only, agreements he has authorised in terms of 4.6 above.
- 4.8 As required under Standing Order 2.8, the Chief Financial Officer and Head of Legal and Administration have been consulted and have advised that they are content that there are special circumstances in this case that justify a suspension of the Standing Orders to provide the Corporate Director Improvement and Performance with interim authority to authorise the Head of Legal Administration to enter into the necessary Participation Agreements provided that the Corporate Director Improvement & Performance is satisfied that this represents Best Value to the Council.
- 4.9 In addition, in terms of Standing Order 10.2(ii), formal approval is required to enter into Framework Arrangements where spend exceeds £250,000 and approval is therefore sought to authorise the Head of Legal and Administration to enter into the Participation Agreements for those National Frameworks identified in 2.4
- 4.10 Finally, Members should note that entering into these National Frameworks, as detailed in 2.4, does not comply with terms of the Council's Financial Regulations, specifically Regulation 26.5 and authority is sought in this regard.

5.0 Implications

5.1 Finance

The Chief Financial Officer supports the proposals outlined in this Report pending a review of the Council's Standing Orders and Financial Regulations provided the necessary consultation with Finance takes place prior to entering into any contract.

5.2 HR

N/A

5.3 Legal

Similar discussions to those with Finance have also taken place with the Head of Legal and Administration as required under Standing Order 2.8 and similarly the Head of Legal and Administration endorses the recommendation set out at 5.1 above provided the terms of the contracts are approved by Legal and Administration prior to each contract being concluded.

5.4 Equality

N/A