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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>18 November 2014</b>
<b>Report By:</b>	<b>Corporate Director, Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/67/14/JB/BH</b>
<b>Contact Officer:</b>	<b>Brendan Hurrell</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2014 Procurement Capability Assessment and e-tendering</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to seek Committee approval to adopt e-tendering and to amend the Contract Standing Orders and provide an update on the latest Procurement Capability Assessment.

## **2.0 SUMMARY**

- 2.1 Following a successful trial of electronic tender opening, the Standing Orders were amended in February 2013 to permit tenders to be advertised and bids received electronically through the Public Contracts Scotland portal. This is dealt with at Contract Standing Orders 6.5 and 6.6..
- 2.2 The Scottish Government is keen that all public purchasing authorities utilise a further e-procurement tool called PCS-Tender. This solution is a Web based software application which allows the Council to manage the full life cycle of the tender process. The solution includes the ability for documentation to be signed off by management at certain key stages of the procurement process and for bids to be received electronically. The Scottish Government have agreed a 4 year contract with Bravo Solutions. There is no charge for the use of this portal.
- 2.3 The Committee approved the suspension of Contract Standing Orders 6.5 and 6.6 in May 2013 for a period to enable Corporate Procurement to pilot the new electronic tendering system, PCS-Tender. The Pilot has now been successfully concluded and it is proposed that the Contract Standing Orders are amended as detailed in Appendix 1.
- 2.4 Regular Reports are presented to Committee throughout the year giving updates on the progress of the Strategic Procurement Framework. Since the last report the Council has been through the latest Procurement Capability Assessment and achieved a score of 62%. This is an increase of 8% on the previous year's score.
- 2.5 There are 4 performance standards identified within the McClelland report on Public Procurement in Scotland: Non Conformance, Conformance, Improved Performance and Superior Performance. 62% represents Improved Performance. There are 8 procurement sections assessed as part of the PCA. The sections and standards, as found at the most recent PCA, are listed in section 4 of this report.

## **3.0 RECOMMENDATIONS**

- 3.1 The Committee is asked to approve the changes to the Contracts Standing Orders that are proposed within Appendix 1.
- 3.2 The Committee is asked to note the Procurement Capability Assessment 2014 score.

**Alan Puckrin**  
**Chief Financial Officer**

## 4.0 BACKGROUND

- 4.1 Following a successful trial of electronic tender opening, the Standing Orders were amended in February 2013 to permit tenders to be advertised and bids received electronically through the Public Contracts Scotland portal. This is dealt with at Contract Standing Orders 6.5 and 6.6
- 4.2 The Scottish Government is keen that all public purchasing authorities utilise a further e-procurement tool called PCS-Tender. This solution is a Web based software application which allows the Council to manage the full life cycle of the tender process. The solution includes the ability for documentation to be signed off by management at certain key stages of the procurement process and for bids to be received electronically. The Scottish Government have agreed a 4 year contract with Bravo Solutions. There is no charge for the use of this portal.
- 4.3 The Committee approved the suspension of Contract Standing Orders 6.5 and 6.6 in May 2013 for a period to enable Corporate Procurement to pilot the new electronic tendering system, PCS-Tender. The Pilot has now been successfully concluded and it is proposed that the Contract Standing Orders are amended as detailed in Appendix 1.
- 4.4 Regular reports are presented to the Committee throughout the year giving updates on the progress of the Strategic Procurement Framework. Since the last report the Council has been through the latest Procurement Capability Assessment and achieved a score of 62%. This is an 8% improvement on the 2013 score.
- 4.5 There are 4 performance standards identified within the McClelland report on Public Procurement in Scotland: Non Conformance, Conformance, Improved Performance and Superior Performance. The Council is within improved Performance. There are 8 procurement sections assessed as part of the PCA. The sections and standards, as found at the most recent PCA, are listed as follows –

	Section	Status
1	Procurement Leadership and Governance	Improved
2	Procurement Strategy and Objectives	Improved
3	Defining the Supply Need	Improved
4	Project Strategies and Collaborative purchasing	Improved
5	Contract and Supplier Management	Conformance
6	Key Purchasing Processes and Systems	Conformance
7	People	Improved
8	Performance Measurement	Improved
	Overall Value of Results	

## 5.0 PROPOSALS

- 5.1 It is proposed that the Contract Standing Orders are amended as detailed in Appendix 1 and allow continued use of PCS-Tender
- 5.2 The full adoption of e-tendering may have an impact on small to medium local suppliers who are not currently set up to cope with this method of tendering. The Procurement Manager will continue to work with colleagues from Economic Development and Riverside Inverclyde to promote the use of e-tendering using existing communication channels such as the Construction Forum. Where there is a need for further support this will be done via the Supplier Development Programme who offer specific assistance on tendering.

- 5.3 The Procurement Capability Assessment will be replaced in 2015 by a different assessment which is currently being called Assessment Review 2015. (AR15).The current Strategic Procurement Framework runs to the end of 2014. It is proposed that a new Strategy is aligned to this assessment and to the overall strategies that the Council has put in place for future years. The new procurement strategy will be brought to the Committee for approval in early 2015.The Contract Standing Orders are being more comprehensively reviewed and are due for renewal. The proposed changes will be brought to the Committee in January.

## 6.0 IMPLICATIONS

### 6.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annual Savings (Full Year)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments

### 6.2 Legal

Legal Services have been consulted on the content of this report.  
Internal Audit have been consulted on the report and are happy with the content

### 6.3 Human Resources

None

### 6.4 Equalities

None

### 6.5 Repopulation

None

## 7.0 LIST OF BACKGROUND PAPERS

- 7.1 None

## Appendix 1

### Current Contracts Standing Orders

6.5 Where tenders are invited by advertising the contract opportunity on the Public Contracts Scotland portal, no tender shall be considered unless it is submitted electronically through the portal, unless prior to such advertising the approval of the Corporate Procurement Manager is given to use the procedure set out at Order 6.6 below.

6.6 Subject to Order 6.5 above, in all other cases where tenders are invited, no tender shall be considered unless it is contained within a plain envelope securely sealed and bearing the word 'Tender.....' followed by the subject matter to which the tender relates. The envelope shall not bear any mark that identifies the tenderer.

### Proposed Revised Wording

6.5 Where tenders are invited by advertising the contract opportunity on the Public Contracts Scotland portal, no tender shall be considered unless it is submitted electronically through the PCS- Tender system, or equivalent replacement system, unless prior to such advertising the approval of the Corporate Procurement Manager is given to use an alternative electronic tender return method.