

Procurement Strategy (2011-2015)



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INTRODUCTION

This Procurement strategy for the three Tayside Councils has been prepared in the context of the developing national procurement agenda and the current financial climate. The increasing pressure on public spending makes it even more important that everyone involved in Procurement understands the need to continue to make the best possible use of Council resources.

The three Tayside Councils – Dundee City, Angus and Perth and Kinross, including their devolved services organisation Tayside Contracts are clear that Procurement has a critical role to play in achieving potential efficiency savings and ensuring that the organisations are fully prepared to embrace the ongoing challenges of the public service reform agenda.

The strategy sets out the procurement aims and objectives of the Shared Procurement Service for the Tayside Councils and Tayside Contracts for 2011-2015.

The aims and objectives in our Strategy reflect both national and local policies and priorities.

To achieve the required financial savings and the other procurement objectives of the Councils, the Shared Procurement Service team will continue to work with services within partner Councils to fulfil our statutory duty of Best Value as determined by the Local Government in Scotland Act (2003) Act.

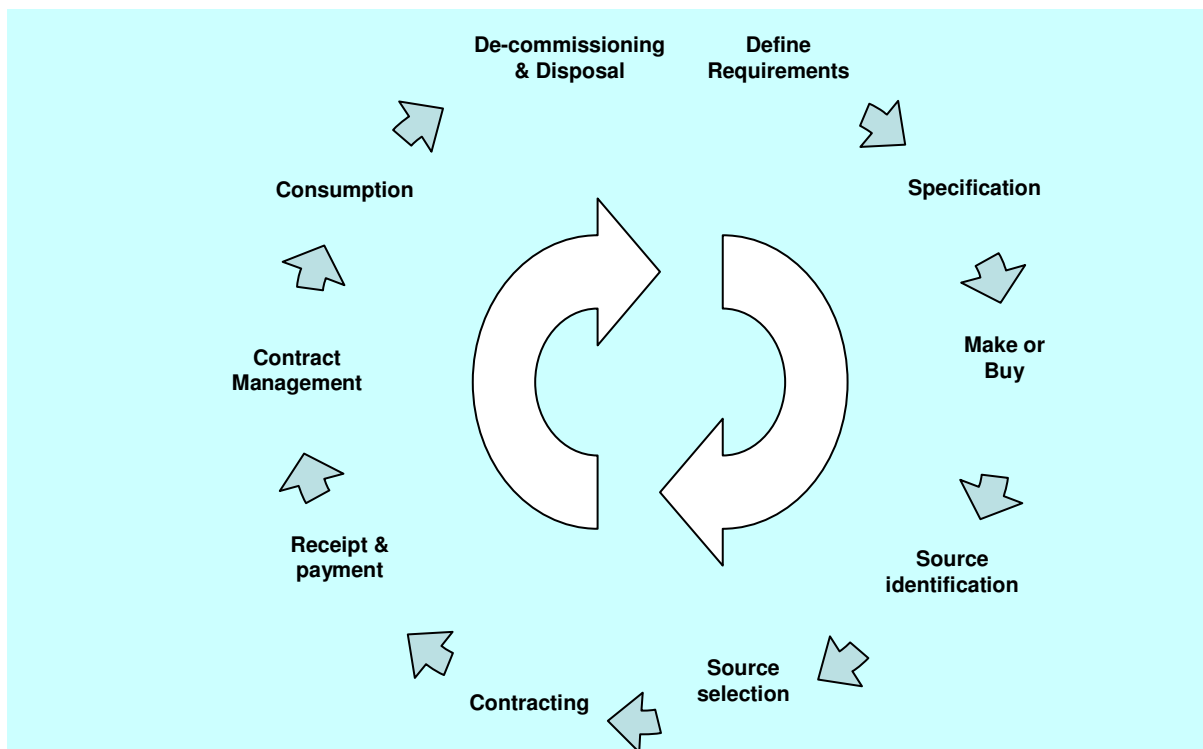
Allan Harrow
Head of Procurement
Shared Procurement Service
Angus, Dundee City, and Perth & Kinross Councils

Defining Procurement

Procurement is the full range of activities related to purchasing, goods, services and works and might be referred to as buying, purchasing, contracting or commissioning.

All Council services carry out some form of procurement activity. Procurement can range from contracting an entire multi-million pound service through to purchasing small stationery items.

The procurement process, as illustrated below does not end at the contract award stage, but spans the whole life cycle of the activity right from the start where we decide on the requirement through to contract management and incorporates the entire Purchase to Pay (P2P) process.



Context of the Strategy

The Councils are continuing to deliver on the [National Procurement Strategy](#) being driven by the Scottish Government. Our local procurement strategy and operations will reflect and work towards achieving our targets and this strategy reflects and builds upon the best practice procurement recommendations contained within the [McClelland report](#).

The Councils have a statutory obligation under the [Public Contracts Scotland Regulations 2006](#) to ensure that procurement activity is compliant with the relevant legislation.

Collaborative procurement is a key focus of the Councils' strategy. The procurement team has an active role in ensuring that collaboration opportunities are exploited, not only with partner Councils in Tayside, but also with [Scotland Excel](#) and Procurement Scotland.

The Councils procurement reform activity can be aligned to eight work streams which reflect the fundamental elements of the national procurement programme. These are :

- Strategic Aims and Objectives
- Procurement Leadership and Governance
- Defining the Supply Need
- Sourcing Strategies and Collaborative Procurement
- Key Purchasing Processes and Systems
- Contract and Supplier Management
- People
- Performance Measurement

These work streams are assessed annually in the [Procurement Capability Assessment](#) commissioned by the Government to monitor progress against national objectives.

We are working to standardise the procurement approach used across the Councils and by streamlining internal processes will make the tender process more robust and more accessible to potential suppliers.

Through standardising the roles and responsibilities of those carrying out the “buyer” function we will improve the Councils procurement capability and reinforce our culture of compliance to current legislation.

This strategy should be viewed in the context of, and in conjunction with, other existing Council policy and guidance that deal with procurement related matters, for example the [Commissioning Strategy](#).

This strategy proposes the further development of our existing approach to supplier and contract management in order to derive further value from new and existing contracts. We recognise the need to actively engage with the business community and work towards promoting access to public sector contract opportunities.

The Councils have already demonstrated a clear commitment to responsible procurement and the coming years will see this formalised through policy development and implementation of a [Sustainable Procurement Action Plan \(SPAP\)](#).

1. Strategic Aims & Objectives

This strategy aims to demonstrate a clear, systematic, and well-researched approach to the Council's purchasing decisions.

We are committed to delivering high quality service standards and to achieving a best practice procurement procedure. This in turn will enable us to deliver best value and ensure that best use is made of public resources.

Our Procurement Mission Statement is :

“The Procurement programme aims to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

Our approach to procurement will :

- Ensure our procurement practice reflects our vision, values and aims
- Secure commitment to excellent procurement from all members and officers throughout the Councils
- Provide a point of reference and focus for procurement matters
- Plan the way forward to improve our procurement function
- Create the opportunity for savings to be delivered as part of an authority wide efficiency strategy
- Respond positively to the Scottish Government’s agenda on efficient Government and public service reform

Moreover we will:

- Be transparent;
- Create the most economically advantageous balance of quality and cost;
- Reduce the burden on administrative and monitoring resources;
- Develop simplified or routine transactions;
- Encourage open and fair competition;
- Follow all appropriate regulations and legislation

It is important that this strategy recognises and continues to be consistent with the priorities defined in the Strategy 2008-2011.

This strategy will support the strategic objectives of each of the partners and will contribute to the delivery of the [Council plans](#). It will be necessary to ensure that this Strategy remains up-to-date and yearly reviews will take place during the lifetime of this Strategy.

2. Procurement Leadership & Governance

The Leadership and Governance for the Shared Procurement Service ensures that there is clear direction and support from senior management for delivery of best value through procurement. A Steering Group comprising Chief Officers from Dundee City Council, Perth and Kinross Council and Angus Council support the Head of Procurement, in delivering the Procurement reform programme. The governance arrangements for the shared service are set out in a memorandum of understanding, agreed and signed by the Councils in 2007.

The Steering Group has responsibility for ensuring that the Procurement Strategy is applied across the Councils.

The Shared Procurement Service team includes corporate procurement functions that have been established in each authority and the whole shared service team are responsible for delivering the reform programme across the Councils. The team will continue to work with the appropriate internal and external stakeholders to deliver the programme objectives.

The Head of Procurement is the strategic lead for the Procurement programme across the three Councils. Operational delivery of the procurement programme within Councils will be managed by the Corporate Procurement Manager within each respective Council.

3. Defining the Supply Need

We will apply a prudent and well-planned approach to defining our supply chain needs, ensuring that our activity is carried out in line with the required legislative framework.

When defining our supply chain needs:-

- We will be clear on what our requirements are and we will consider all options for cost avoidance
- We will assess our need to ascertain whether the business requirement exists in isolation or whether we can collaborate with other areas both within councils and also with other partner organisations
- We will consider the wider context of our purchasing activity to ensure that all consequential requirements are identified (for example IT support for the purchase of a piece of software or maintenance) so the maximum benefit and true cost to the whole Council is identified and accounted for.
- We will ensure that the specification and business requirement is fit for purpose.
- We will aim to establish Policy Advisory groups to ensure that the final purchase fulfils the Council's true need.

The Councils recognise that their procurement activities have an impact on the community in which we work and live. In developing our sourcing strategies account will be taken of our commitment to Corporate Social Responsibility

Our procurement activity will give consideration to the economic, social and environmental effects of purchasing decisions.

The Councils aim to be socially responsible through their actions taken, over and above compliance with legal requirements, to both achieve value for money and address the interests of our communities.

Sustainable procurement can offer whole life cost efficiency, supports our commitment to our Corporate Social Responsibility, evidences that we are responsible public bodies and can promote health improvements amongst all our stakeholders

This particularly relates to the areas detailed below where we will consider for example:

- Health, safety and welfare
- Environmental management
- Delivery of community benefits
- Equality

- Ethical procurement
- Development of local economy / engagement with the local business community

Through consideration of these factors when determining the business requirement the Councils will be working to develop an improved approach to sustainable procurement.

Knowing what the internal and external markets can offer is crucial when making the crucial “make or buy” decision that will affect the rest of the procurement process. The markets constantly change and are likely to have developed since the last time they were used. We will carefully consider all the key drivers to ensure we are making a fully informed decision.

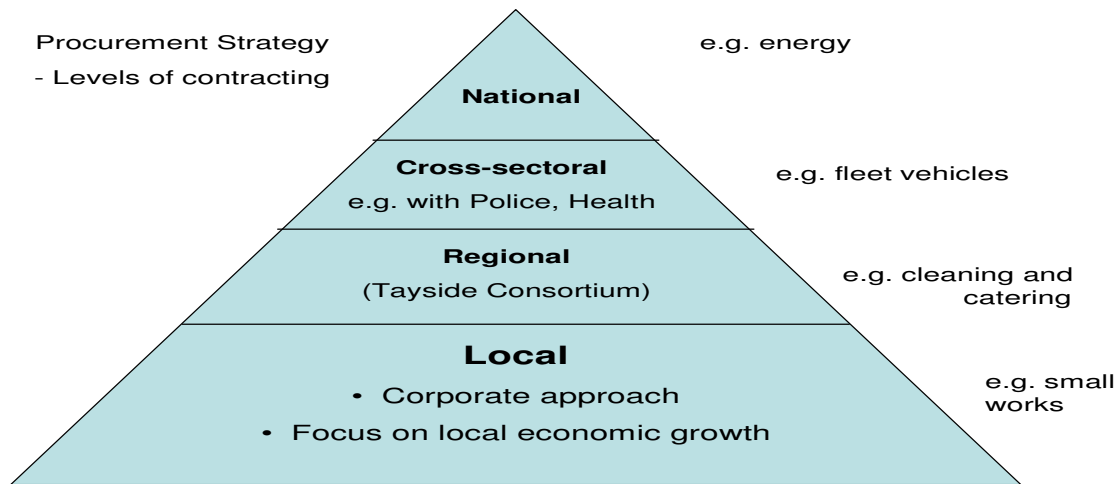
4. Sourcing Strategies & Collaborative Procurement

Procurement has a significant role to play in the support of the three Council's respective overall drive for efficiency. The Councils are working to ensure that through improving their procurement activity they can best satisfy their core supply needs.

The three Councils have already addressed a number of key corporate commodity areas in order to gain efficiency savings for services and improve purchasing practice.

Through involvement with National collaborative initiatives such as the Procurement Scotland and Scotland Excel programmes, the Councils will realise further efficiencies through a national collaborative procurement approach. They will also take advantage of cross-sectoral procurement through local initiatives with partners in other public sector areas in Tayside

The following diagram explains on a high level the approach to this initiative.



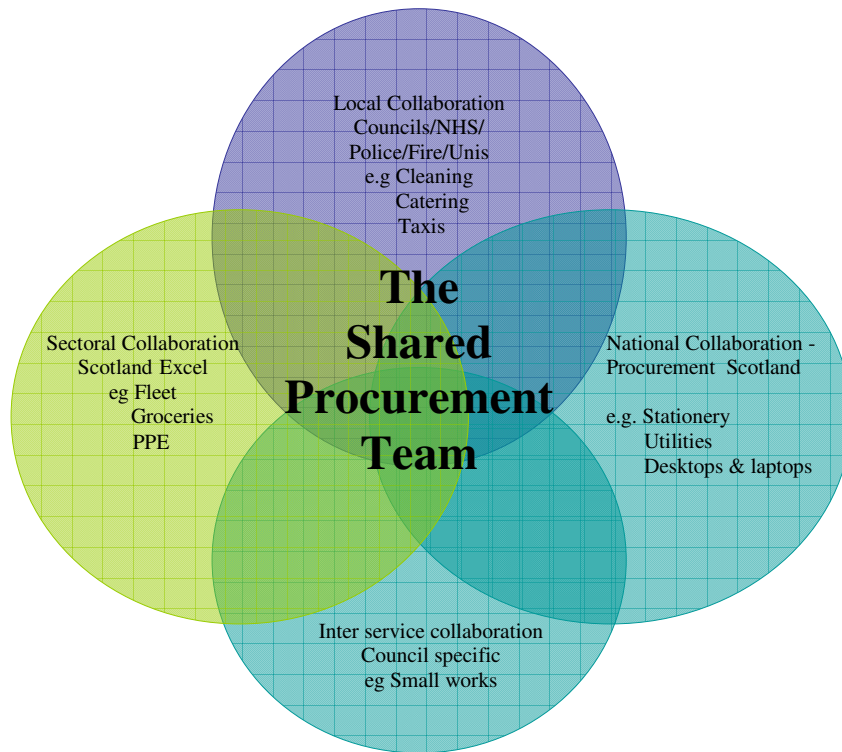
The three Councils are committed to reducing duplication of process through delivery of shared services and through existing initiatives, such as a collaborative purchasing approach, significant progress has been made.

The Councils may also collaborate with a number of other Tayside based agencies during the procurement process and these include:

- NHS Tayside
- Voluntary and Independent Sector
- Tayside Police.
- Scottish Enterprise
- Universities & Colleges in Tayside
- Tayside Fire and Rescue

The Councils may also collaborate with a number of other agencies out with the Tayside area.

The following diagram explains on a high level our approach to collaboration.



Advertising the requirement

Under The Public Contracts (Scotland) Regulations 2006, we have a legal obligation to adequately advertise our tender opportunities. A single point of information for contract opportunities has been created and suppliers are actively encouraged to register and use the website. This use of the Public Contracts Scotland (PCS) procurement portal supports our commitment to ensuring we adequately advertise tender opportunities. Use of the PCS website is recommended for all appropriate procurement activity.

<http://www.publiccontractsscotland.gov.uk/>

5. Key Purchasing Processes & Systems

e-Procurement in the context of the strategy is how the councils will create and place their orders using electronic tools.

The continued roll out of e-Procurement will enable the Councils to streamline and improve routine purchasing processes resulting in increased process efficiency and productivity.

Procurement activity will be improved across the councils through use of quality management information. The e- procurement systems capture spend data which can be used to inform future purchasing activity.

The Councils intend to use of a variety of systems to create their own fully functional e – procurement solutions. The following initiative is an example of a development area:

- Use of procurement cards for low value purchases. These cards are an efficient and cost-effective method of buying low value goods and services. Where appropriate their use can reduce the process cost for the Council and increase the speed of payment for the supplier.

All suppliers will be encouraged to engage with the Council electronically; which in this context may range from the ability to receive an order by fax, right through to facilitating online purchasing via their own website.

6. Contract & Supplier Management

The Council are signatories to the [Supplier Charter](#) and developing our Contract & Supplier management supports continuous improvement in our supply chain.

The key principles are as follows:

- open, transparent, timely and consistent communications at all levels
- publish tendering opportunities via Public Contracts Scotland.
- work to remove perceived barriers to doing business with the council amongst Small and Medium Enterprises (SMEs)
 - hold supplier engagement events

- promote the use of the Supplier Development Programme by all tiers of the Supply Chain to aid understanding of how to trade within the public sector
- provide a single point of enquiry within the Councils as a route for Suppliers to raise issues and complaints
- Ensure the appropriate application of Supply Chain Management to manage Supplier performance including Key Supplier Management of strategic/critical suppliers across the councils;
- We will aim to improve the consistency of our processes and documentation, which in turn will
 - increase consistency of tendering process across the Councils
 - reduce the cost and time of bidding for tenders
 - ensure the requirements for bidding are appropriate to the size and complexity of the task
 - increase consistency of terms and conditions used across the Councils estate
 - make the tendering process easier for suppliers

We will undertake such activities as are necessary to ensure that appropriate standards of procurement and Supply Chain management are being achieved and sustained across the Councils and we will act appropriately should appropriate standards fail to be met.

7. People

We are committed to supporting and encouraging any council officer involved in procurement activity to obtain relevant procurement training and to gain the skills, experience and expertise necessary for them to achieve their full potential.

Section 8 of the [McClelland Report](#) makes recommendations on how people and skills can be developed. The Procurement programme will continue to work to develop these areas.

These include:

- Clear and effective procurement guidance
- Clear structures, roles and responsibilities
- Procurement Training Needs Analysis for those involved in Procurement activity
- Annual Personal Development Plans
- An annual Training Plan for the Procurement Team
- Appropriate training for all staff involved in procurement

We will utilise the Scottish Government's approved [Procurement Competency Framework](#) as a model by which to manage the training and development of procurement skills of all those involved in procurement activity within the Councils.

Through adoption of the principles and approach laid out in the Competency Framework we will aim to ensure a consistency of approach to procurement across all Council areas.

8. Performance Measurement

In July 2009 the Cabinet Secretary for Finance and Sustainable Growth introduced the Procurement Capability Assessment (PCA). to measure public sector bodies in a standard way and to drive procurement reform across Scotland. The assessment identifies areas where organisations can strengthen their procurement approach by measuring their procurement capability. The PCA measures the progress made towards achieving McClelland's vision of advanced procurement. The key areas for review are the [7 'C's identified by Government](#) as being critical to good procurement capability

- CAPABILITY
- COVERAGE
- CORPORATE SOCIAL RESPONSIBILITY
- COLLABORATION
- CAPTURING SAVINGS & BENEFITS
- COMPETITIVENESS
- COMMUNICATION

The effectiveness of this strategy will be measured through the annual PCA scorings realised by the Councils in the years to 2015.

In addition to the PCA, Procurement performance will be measured through the Councils annual Statutory Performance Indicators (SPI), the council's annual efficiency statement submission and through the [Scottish Governments Best Practice Indicators \(BPI's\)](#)

Local scrutiny and performance monitoring of the procurement team performance will be through internal audit schedules, regular reports to the Procurement Reform

Programme Steering Group and reports to Council committees as required by the governance arrangements in each respective Council

Democratic accountability, and Elected member oversight will be ensured through reports detailing progress being reported to the committee in each Council responsible for policy and resources.

Conclusion

This Procurement strategy for the three Tayside Councils supports the national procurement agenda and seeks to ensure that we continue to make the best possible use of Council resources.

The three Tayside Councils – Dundee City, Angus and Perth and Kinross, including their devolved services organisation Tayside Contracts are clear that Procurement has a critical role to play in achieving potential efficiency savings and ensuring that the organisations are fully prepared to embrace the ongoing challenges of the public service reform agenda.

Procurement Business Plan

Each authority is working towards the same vision; Each Council has an operational team plans to ensure delivery of the strategy. This plan will be updated on an annual basis for the duration of the strategy.

TPC Procurement Improvement Plan 2011/12 - Perth & Kinross Council

TPC Objectives						
1. PROCUREMENT LEADERSHIP & GOVERNANCE						
PCA 2010 Section Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress as at Date
1.1.1	Ensure TPC procurement programme is embedded across the organisation	Give departments, via the SPMG/ Procurement Champions network, greater ownership of the Procurement Improvement Programme	Critical	From April 2011 onwards, to be reflected in the 2011 PCA	Corporate Procurement Manager	
1.1.2	Ensure TPC procurement programme is embedded across the organisation	Create a network of authorised procurement officers. Assess training needs using the Competency Framework self assessment tools	Critical	Aug-11	Corporate Procurement Manager	
1.1.3	Ensure TPC procurement programme is embedded across the organisation	Create commodity based procurement policy & advisory groups (PPAGs). these groups will be actively involved in contract management & review, product variety reduction, delivery schedule improvement. The required outcome is greater efficiency in sourcing and product selection.	Critical	Start by June 2011, ongoing	Corporate Procurement Manager supported by TPC CPU	
1.1.4	Ensure TPC procurement programme is embedded across the organisation	Involvement in procurement planning activity with departments for 2012/13 to prioritise procurement resource to support the Council's strategic outcomes.	Critical	From April 2011 onwards, to be reflected in the 2011 PCA	Corporate Procurement Manager	
1.1.5	Ensure TPC procurement programme is embedded across the organisation	Engage with departments as follow-up to procurement planning activity to verify embedding of a strategic approach and contract & supplier management good practice. Gather evidence of success.	Critical	From April 2011 onwards, to be reflected in the 2011 PCA	Corporate Procurement Manager	
1.2	Improve the TPC Governance Framework	Conduct annual stakeholder feedback on TPC-wide activity	Critical	Jun-11	Corporate Procurement Manager supported by TPC CPU	

1.3	Ongoing assessment of delivery of recommendations from the McClelland report	Continue with current strategic reporting activity: • Create and implement Tayside Procurement Strategy 2011-15 • Bi-annual formal reporting • Ongoing quarterly reporting to CMG	Critical	April and September 2011, ongoing	Corporate Procurement Manager in support of Head of Procurement	
1.4	End user 'buy-in' and satisfaction	In addition to action 1.2, provide direct support to and involvement in "local" PKC specific procurement activity.	Critical	From April 2011 onwards, to be reflected in the 2011 PCA	Corporate Procurement Manager	

Evidence of Completion	List of key procurement contacts / those with delegated procurement authority <> stakeholder map <> SPMG Procurement group membership, minutes etc
	Copy of revised Fin Regs Stakeholder engagement evidence for all commodity areas, copy of Audit plans, PKC reps on all UIGs
	Surveys completed and actions in place to resolve any issues raised

2. PROCUREMENT STRATEGY & OBJECTIVES

PCA 2010 Section Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
2.1	Ensure the 2011 - 2015 Strategy is embedded across the organisation	See actions 1.1.1, .2 & .3	Critical	See actions 1.1.1, .2 & .3	See actions 1.1.1, .2 & .3	
2.2	Ensure Key Council Users understand the strategy	Ensure that procurement governance framework creates a formal relationship between corporate procurement and authorised procurers, e.g. involvement in developing business cases & procurement strategies where appropriate.	Critical	Oct-11	Corporate Procurement Manager	
2.3	Contracts Database	Ensure that the contracts register aligns with the Scottish Procurement Information Hub and can be shared stakeholders across the TPC.	Necessary	Oct-11	Corporate Procurement Manager	
2.4	Corporate Social Responsibility	Continue to develop sustainable procurement policy and implement via a Sustainable Procurement PPAG. See action 1.1.3	Necessary	Starts June 2011, ongoing	Corporate Procurement Manager in support of Head of Procurement	
2.5	Organisational buy in	Seek improved senior management awareness and support via awareness raising events. Review the Corporate Procurement Communication Plan..	Necessary	Starts April 2011, ongoing	Corporate Procurement Manager, Head of Procurement	

Evidence of Completion	Approved TPC Strategy 2011-15, procurement reports at committee, regular SPMG meetings, Contracts database, reps on UIG's for commodities
	Stakeholder engagement evidenced for all activities (via Procurement Officer database entries)
	Sustainable Policy approved, delivery of SPAP

3. SPECIFICATION OF GOODS AND SERVICES

PCA 2010 Section Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
3.1	Properly Specified Goods and Services	Develop through PPAG's. See action 1.1.3. Also procurement planning (action 1.1.4) and direct support activity (action 1.4)	Necessary	Start by June 2011, ongoing	Corporate Procurement Manager supported by TPC CPU	
3.2	Effective Demand Management process	Develop through PPAG's. See action 1.1.3. Also procurement planning (action 1.1.4) and direct support activity (action 1.4)	Necessary	Start by June 2011, ongoing	Corporate Procurement Manager supported by TPC CPU	
3.3	Use of Value Analysis when determining business requirement	Develop through PPAG's. See action 1.1.3. Also procurement planning (action 1.1.4) and direct support activity (action 1.4). Also basic training implementation.	Necessary	Start by June 2011, ongoing	Corporate Procurement Manager supported by TPC CPU	
3.4	Improved Catalogue Management	Develop the PKC good practice approach.	Necessary	Oct-11	Corporate Procurement Manager	

Evidence of Completion	UIG/PAG to produce revised specs reflecting reduction in demand by commodity area.
	Stakeholder engagement evidenced for training initiatives and template introduction (via database entries)

4. SOURCING STRATEGIES AND COLLABORATIVE PROCUREMENT

Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
4.1	Policy Advisory Group & UIG created for every commodity	See action 1.1.3	Necessary	See action 1.1.3	See action 1.1.3	
4.2	Revised set of - Standing Orders - Fin Regs	Aim to have in PKC during 2012, place all documents in TPC PCA area for evidence	Necessary	Apr-12	Corporate Procurement Manager	
4.3	Efficiencies from collaborative procurement	Contribute to production of procurement efficiencies projection for timely use in relation to future budget preparation process	Necessary	Sep-11	Corporate Procurement Manager in support of Head of Procurement	

4.4	Sustainable Procurement	See action 2.4	Necessary	See action 2.4	See action 2.4	
4.5	Supplier engagement	Develop through PPAG's. See action 1.1.3	Necessary	Start by June 2011, ongoing	Corporate Procurement Manager supported by TPC CPU	
Evidence of Completion	Increasing participation in collaborative contracts expressed as a percentage of total expenditure. UIG Signed off commodity profiling and strategy for every major commodity, post-procurement reviews (lessons learned), contract management meetings (minutes from same), committee approval of sustainability policy, SPAP, PCS adverts, Minutes of Meet the Buyer events.					

5. CONTRACT AND SUPPLIER MANAGEMENT

Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
5.1.1	Contract & Supplier Management	Include "Contract & Supplier Management" within basic procurement training. See actions 1.1.2 & 7.1.1	Necessary	Start by May 2011, ongoing	Corporate Procurement Manager	
5.1.2	Contract & Supplier Management	See action 1.1.5	Critical	See action 1.1.5	See action 1.1.5	
5.2	Use of Public Contracts Scotland (PCS)	Include "Contract & Supplier Management" within basic procurement training. See actions 1.1.2 & 7.1.1	Necessary	Start by May 2011, ongoing	Corporate Procurement Manager	
5.3	Supplier Questionnaire	See action 1.2	Critical	See action 1.2	See action 1.2	
Evidence of Completion	Suite of contract management guidance and template documents available and used across the Council services. Procurement Officer database includes fields relating to PCS authority levels					

6. KEY PURCHASING PROCESSES AND SYSTEMS

Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
6.1	Quality Assurance (systems and processes)	As part of Rationalising the Purchase to Pay Process project work, identify and categorise purchasing systems in use. Assess systems offering purchasing functionality and data, migrate from systems which do not. Embed a quality review process to ensure consistency of and transparent approach. Report to Financial Controllers meetings with recommendations.	Desirable	Sep-11	Corporate Procurement Manager	

6.2	Quality Assurance (systems and processes)	Consult with Payments Team and understand if there are improvements which can be made to payments performance which procurement can support. Report to Financial Controllers meetings with recommendations.	Desirable	Sep-11	Corporate Procurement Manager	
6.3	Quality Assurance (systems and processes)	Develop a suite of regular eProcurement reports to support on-contract purchasing and BPI reporting. Report progress to departments and summarise outcomes by report to the Financial Controllers and the TPC Steering Group.	Desirable	Sep-11	Corporate Procurement Manager	

Evidence of Completion	eProcurement board reports, payment performance statistics, BPI reports
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7. PEOPLE

Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
7.1.1	Capability - resource planning	Deliver appropriate procurement training to authorised procurement officers (12 events planned for 2011/12). See also action 1.1.2.	Necessary	Start by May 2011, ongoing	Corporate Procurement Manager	
7.1.2	Capability - resource planning	Continue with requisitioner & approver training on PECOS, including sourcing until roll-out is completed (planned for September 2011).	Necessary	Ongoing	Corporate Procurement Manager	
7.2	Development Needs Analysis	See actions 1.1.2 & 2.2	Critical	Aug-11	Corporate Procurement Manager	
7.3	EU Regs Training	Use / roll-out Scot Gov's EU Regs Intro Training online tool + in-house legal resources, as appropriate / available.	Desirable	Start by May 2011, ongoing	Corporate Procurement Manager	

Evidence of Completion	Delegated procurement officers have received training eProcurement users have received training EU training has been delivered, elected member training has been delivered.
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8. PERFORMANCE MEASUREMENT

Ref	Outcomes	Main Actions	Priority	Completion Date	Owner	Progress
8.1	Reporting	Continue reporting mechanisms. See actions 1.3, 4.3 and 6.3	Critical	April and September 2011, ongoing	Corporate Procurement Manager in support of Head of Procurement	

Evidence of Completion	PCA annually, quarterly BPI reports, programme reports to TPC Steering Group, Committee reports to council, annual efficiency statement. Any other local reporting to monitoring groups.
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Glossary

Here is an explanation of some of the terms and abbreviations used in this Strategy - the explanation is given in the context to which the terms relate to Procurement

Added Value - Features and benefits offered which exceed the specification for the contract.

Award criteria - The list of key criteria that is used to assess a supplier's tender.

Benchmarking - A process of continuously measuring and comparing an organisation's processes against comparable organisations to gain information to help performance improvement e.g. "best in class" achievement.

Best Practice - Proven and documented working practices that provide optimum operational performance within a specific business environment e.g. 'best in field'.

Best Value (BV) - The Local Government in Scotland Act 2003, placed a statutory duty of Best Value upon local authorities in the discharge of their functions. The principles make clear that Councils have a duty to "make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness". This improvement involves consideration of costs, making the most of money spent, and making sure that services meet the needs of communities and authorities' priorities.

BPI - Specific measurements of Procurement service delivery

Business Case - A document setting out the information a manager needs before deciding whether to support a proposed project, before significant resources are committed to its development. The core of the business case is an assessment of the costs and benefits of proceeding with a project.

Commissioning - the process of ensuring that the health and care services provided effectively meet the needs of the population. Often a complex process with responsibilities ranging from assessing client needs, prioritising health outcomes, procuring products and services, and managing service providers

Contract - A binding agreement to perform a certain service or provide a certain product in exchange for valuable consideration, usually money.

Corporate Social Responsibility (CSR) - The Government sees CSR as the business contribution to our sustainable development goals. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides.

Costs - The money spent on resources to deliver the service.

e-Procurement - The term used to describe the use of electronic methods in every stage of the purchasing process from identification of requirement through to payment, and potentially to contract management.

Equal opportunities - The practice of ensuring that all employees and users of services receive fair and equal treatment.

European Union Regulations (EU Regs) - There are rules and regulations set by the European Union with regard to procurement for public sector organisations – these rules and regulations are set to protect suppliers and must always be followed by all public sector organisations.

Evaluation - The process of assessing each bidders tender so as to be able to select the best option suitable to the requirements of the contract.

Excel / Scotland Excel - A national collaborative buying initiative representing the 32 Scottish local authorities

Governance - The framework of authority and control within an organisation.

McClelland - The McClelland review of public sector procurement report published March 2006, sets out 82 key recommendations for improvement in procurement across the Scottish public Sector. The resultant reform programme being lead by the Scottish Government, through the Scottish Procurement Directorate intends to deliver on a national procurement strategy for local government

Most Economically Advantageous Terms – MEAT - The optimum combination of whole life costs and benefits assessed against predetermined evaluation award criteria which will normally be detailed in the Invitation to Tender (ITT) or equivalent documentation.

Official Journal of the European Union/OJEU - The publication in which all high value public sector contracts in the EU must be advertised.

Public Contracts Scotland - a national advertising website where all Scottish public sector organisations can publicise their contract opportunities.

Public Contracts Scotland Regulations 2006 - Public procurement law regulating the purchasing by public sector bodies of contracts for goods, works or services. The Public Contracts (Scotland) Regulations 2006 came into force on 31 January 2006

Public Procurement Reform Board (PPRB) - set up to deliver the recommendations of the 'McClelland Report' Responsible for ensuring that the Programme remains on course to deliver benefits, and that obstacles to delivery and benefit realisation are removed or reduced...The Board will provide strategic guidance, monitor progress, assess and resolve risks and issues and arbitrate any disputes that arise

Procurement Capability Assessment (PCA) - The objective of the PCA is to assist organisations to improve their structure, capability, processes and ultimately their performance, The PCA identifies areas where organisations can strengthen their procurement approach through an evaluation of their procurement capability. It was developed in consultation with Audit Scotland, and assists measurement of the progress made towards achieving McClelland's vision of advanced procurement.

Procurement - The process of buying goods and services.

Procurement Scotland - As part of the Scottish Procurement Directorate of the Scottish Government Procurement Scotland is responsible for developing and implementing procurement strategies for commodities on behalf of all Scottish public sector organisations:

Quality - Fitness for purpose when judged against the standards specified in the contract.

Selection Criteria - The factors that a public sector organisation will take into account when deciding which tender to accept. Usually some factors will count for more than others.

Small and Medium sized Enterprises – SMEs - firms that employ less than 250 people and have a turn over of less than €50m.

Sustainable Procurement Action Plan (SPAP) - Supports the Scottish Government's purpose for successful sustainable economic growth. It proposes a methodical whole organisation approach to

sustainable procurement, a benchmarking and development structure and a timetable for specific actions to promote best practice across the public sector in Scotland

Specification - A description of the essential technical requirements for goods or services to be delivered under a contract, including the method for checking that the requirements have been met.

Stakeholders - Individuals, groups or organisations that are affected by and/or have an interest in a particular issue or organisation e.g. customers, partners, employees, shareholders, and government.

Supplier Engagement - In simple terms, working with suppliers to achieve mutual goals – as opposed to 'them and us'.

Supply Chain - The flow of resources into and out of the enterprise's collective operations. The chain can be said to start with the suppliers of your suppliers and ends with the customers of your customer.

Suppliers Charter - A joint statement between the Public Sector Procurement and Businesses sectors committing to facilitating improved access to public sector procurement opportunities

Supplier Development Programme - a local authority partnership programme established to offer small and medium sized enterprises (SMEs) the opportunity to grow and diversify through procurement

Sustainable Development - Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' e.g. the environmental and social impact of today's actions that may affect the ability of future generations.

Sustainable Procurement - The application of sustainable development principles to procurement (see above).

Thresholds - The financial threshold above which certain procedural aspects of the procurement Regulations become mandatory. There are two thresholds, one that applies to most central government bodies and one for other authorities. The current threshold is published on the OGC website.

Transparency - Being clear with potential suppliers as to what is planned and the steps that will be and have been taken in relation to a procurement process, and performing that procurement process as described in the communications with potential suppliers.

Values - Represent the beliefs within an organisation and are demonstrated through the day to day behaviours of its employees.

Vision - A statement describing how an organisation wishes to be in the future. Also see Mission Statement.