



**Glasgow City Council**

**Public Petitions and General Purposes Policy  
Development Committee**

**Report by Acting Executive Director of Corporate Services**

**Contact: Avril Lewis Ext: 76402**

**Item 5**

**2nd December 2014**

## **CORPORATE PROCUREMENT STRATEGY 2013 - 2015**

### **Purpose of Report:**

To update the Committee of the progress made on the delivery of the key improvement activities identified in the Corporate Procurement Strategy, which has been developed to support the Council's delivery of the Strategic Plan.

### **Recommendations:**

The Committee is asked to note:

1. The achievement of key deliverables during 2014 as set out in the Corporate Procurement Strategy and its action plan; and
2. That a further report will be brought back to committee providing an update on delivery of Year 2 of the Strategy.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

#### **PLEASE NOTE THE FOLLOWING:**

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## **1 Background**

- 1.1 The Council's Corporate Procurement Strategy was developed to support the Council's delivery of its Strategic Plan and to meet the requirements of 'Tomorrow's Glasgow' governance arrangements.
- 1.2 The strategy set out the procurement landscape, and detailed an Action Plan setting out activities which would be undertaken over a 2 year period.
- 1.3 The implementation of the Corporate Procurement Strategy is regularly reviewed by the Council's Strategic Asset Management Board chaired by the Executive Director of Corporate Services, which is responsible for delivering strategic guidance on how procurement is delivered across the Council and ensuring delivery of the actions outlined in the Strategy.
- 1.4 The strategy was approved at this Committee on 3 December 2013 and the Council's Executive Committee on 6 March 2014. A report was to be brought back after the first year of delivery advising Committee on progress made.

## **2 Corporate Procurement Strategy**

- 2.1 A full action plan is attached at appendix 1 including a status report for all improvement activities. To date 35 out of 68 actions have either been completed or are now business as usual (See Appendix). An update on a number of key activities is detailed below.

## **3 Key Activities**

### **3.1 Small and Medium Enterprises**

- 3.1.1 Within the Procurement Strategy, there is a commitment to improve access to public sector contracts with particular focus on Small and Medium Enterprises ("SMEs").
- 3.1.2 The Corporate Procurement Unit has committed to attending and supporting a minimum of three supplier events annually. These events are run by the Supplier Development Programme (SDP) and particularly target SMEs in 3 main ways:
  - Raising awareness of the opportunities for SME's from the public sector.
  - Increasing business readiness to tender.
  - Assisting SMEs in accessing tender opportunities.
- 3.1.3 This year, two events have been supported by the Council's Corporate Procurement Unit (CPU) and it is expected that the third will take place before the end of the year. These events will continue to be supported on an ongoing basis.

3.1.4 Quick Quotes thresholds have been increased from £20k to £50k. Quick quotes are a simplified procurement process whereby companies can register and quote for lower value tenders. This means that it is easier for SMEs to bid for work at a higher financial level than before and opens up greater opportunities for SMEs.

3.1.5 Procurement tender documentation has been amended to highlight the support available to SMEs from the SDP. It also captures details to determine whether contractors and suppliers have engaged and benefited from the programme, with a view to monitoring and improving on SDP engagement, particularly with SMEs.

## 3.2 Community Benefits

3.2.1 Glasgow City Council was an early adopter of Community Benefits, culminating in a policy introduction in 2008. It has been included in the procurement of all the major infrastructure projects in relation to the Commonwealth Games to maximise its outcomes and legacy and is a key strand of the Prosperous Legacy Strategy.

3.2.2 Given the considerable success the Council has achieved to date in developing and delivering Community Benefits, there is now an opportunity to build on this and consider other areas of Council procurement expenditure to maximise the impact for Glasgow residents and businesses.

3.2.3 The Corporate Procurement Unit is working with colleagues in DRS to identify the opportunities for wider community benefit across the Council and Council family. This activity is timely given the forthcoming introduction of the Procurement Reform (Scotland) Act 2014, which mandates public bodies to maximise the use of Community Benefit clauses.

3.2.4 Further, the Scottish Government has commissioned the Training and Employment Research Unit at the University of Glasgow, to report on the use, impact and value of Community Benefit clauses within procurement. The Council participated in the fact-finding eSurvey issued by the university and the draft report is due to be submitted to the Scottish Government on 24 October 2014. Dependent on timing the outcome of this research could also inform how the Council drives forward the development of its community benefit policy.

### 3.3 Sustainable Procurement

- 3.3.1 The Procurement Reform (Scotland) Act 2014 aims to embed sustainability across Scottish public sector procurement activity. To this end the CPU has participated in a training pilot, run by Scottish Government consultants who are currently developing two Sustainable Procurement Tools. The tools will enable the Council to develop tailored action plans, aiding compliance with the Act's requirements and beyond; ensure that resources are focused where they need to be, help embed relevant and proportionate requirements into contracts and encourage good practice.
- 3.3.2 It is likely that appropriate officers within service areas will require training in respect of the tools in order to not only progress but to support procurement compliance.

### 3.4 Staff development

- 3.4.1 The CPU has developed a training strategy based on a skills assessment of staff graded 7 and 8, skills needed to fulfil role profiles and legislative requirements which bring about change to procurement operational procedures. Relevant internal and external training courses have been identified and matched to the aforementioned skills gaps. Training and development requirements will be prioritised (budget dependent), and then actioned accordingly.
- 3.4.2 Additional funding has been awarded to the CPU to enable three Procurement Assistants to undertake the Chartered Institute of Purchasing and Supply (CIPS) Diploma. The training focuses on areas that underpin the procurement process eg organisational procedures and processes including negotiation, planning, risk management and data analysis and is a valuable management tool for those moving into junior and middle management procurement roles and those supervising the procurement function.

### 3.5 Procurement Capability Assessment

- 3.5.1 The Procurement Capability Assessment (PCA) is a tool, introduced by the Scottish Government, as a way of helping public sector organisations look at and improve how they carry out their procurement activities. The procurement capability of Scottish public sector organisations has been assessed through the PCA programme since 2009.
- 3.5.2 The PCA assesses capability in key areas against common criteria and standards which will allow public bodies, locally, at sector level and nationally, to identify where best practice already exists, where there are gaps and where continuous improvements and efficiencies can be implemented.

3.5.3 Following this years review Glasgow achieved a score of 76%, which is classed as “superior” performance.

## 4 Governance

4.1 The progress of the Corporate Procurement Strategy will continue to be reviewed monthly by the Corporate Procurement Advisory Board whose members are responsible for ensuring that the action plan is being progressed and a report will be brought back to this committee upon completion of Year 2 of the Strategy, advising on progress made.

## 5 Policy and resource implications

### Resource Implications:

*Financial:* One of the key aims of the Corporate Procurement Strategy is to ensure value for money.

*Legal:* The Corporate Procurement Strategy will be implemented in line with legislation, the council’s standing orders and the corporate procurement manual.

*Personnel:* No direct personnel issues.

*Procurement:* Implementation of Corporate Procurement Strategy.

**Council Strategic Plan:** Making the best use of our resources: delivering value for money to support service delivery.

### Equality Impacts:

*EQIA carried out:* No EQIA carried out as the report does not relate to a new service, policy, strategy plan or significant change to a review of service, policy or strategy plan.

*Outcome:* Not applicable.

**Sustainability Impacts:** Sustainability is covered as a key issue within the Corporate Procurement Strategy.

*Environmental:* As above.

*Social:* As above.

*Economic:* One of the aims of the Corporate Procurement Manual is to deliver opportunities for business and take account of the SME Agenda.

## **6 Recommendation.**

6.1 The Committee is asked to note

1. the achievement of key deliverables during 2014 as set out in the Corporate Procurement Strategy and its action plan; and
2. that a further report will be brought back to committee providing an update on delivery of Year 2 of the Strategy.