

ITEM No ...5.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD– 21 MARCH 2022

REPORT ON: TAYSIDE PENSION FUND PROCUREMENT POLICY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 101-2022

1 PURPOSE OF REPORT

This report introduces a formal Procurement Policy for Tayside Pension Fund. This policy sets out the minimum standards and requirements for managing outsourcing and third party service providers across the key stages of the outsourcing lifecycle, and the criteria for assessing value for money of the functions and activities that are outsourced to third parties.

2 RECOMMENDATIONS

The Sub-Committee is asked to approve the Procurement Policy.

3 FINANCIAL IMPLICATIONS

There are no financial implications.

4 BACKGROUND

The recommendations made by the Fund's Internal Auditors Pricewaterhouse Coopers (PwC) following an audit exercise that reviewed the framework in place to ensure that the Fund is provided with:

- adequate reporting to enable monitoring and oversight of key service providers
- evidence of review and challenge of the reporting as appropriate
- a framework to ensure that value for money is assessed on a regular basis

The audit noted that whilst there are practices in place around the selection and monitoring of providers which follow the formal procurement process in line with public sector requirements, they recommended that a formal policy be in place in order to strengthen the control environment.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

None

**ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

11 MARCH 2022



PROCUREMENT POLICY

Executive Director of Corporate Services
Dundee City Council, Administering Authority

March 2022

1. Introduction

Dundee City Council is the administering authority for the Tayside Pension Fund (TPF). The Council delegates this responsibility to the Pension Sub-Committee of the Policy & Resources Committee. In recognition of their fiduciary duties and responsibilities towards pension scheme members, participating employers and local taxpayers, this policy sets out the minimum standards and requirements for managing outsourcing and third party service providers across the key stages of the outsourcing lifecycle.

2. Aims

This policy aims to demonstrate a clear, well-structured approach to our procurement activities, stating what we'll do and how and when we'll do it in order to minimise the risk of inconsistent or poor practice in the management of outsourcing and third party service providers.

3. Outsourcing Lifecycle

3.1. Initial risk assessment and selection of service providers

- We will ensure that our service requirements are fully assessed prior to embarking on all procurement exercises
- We will ensure that our staff have the appropriate knowledge, and all procurement exercises will be supported by procurement professionals to ensure fully compliant process
- We will utilise public sector procurement frameworks where possible (e.g. Norfolk LGPS Framework; Crown Commercial Services), adhering to the applicable policies and procedures. This will also demonstrate value for money as the frameworks also provide price schedules
- Where procurement frameworks are not appropriate (e.g. investment mandates), specialist procurement, legal services and investment advisors will be used to ensure compliance and financial efficiency and effectiveness
- Any procurement waivers will require authority from the Executive Director of Corporate Services who undertakes the role of the S95 officer

3.2. Ongoing oversight and performance monitoring

- A contracts register will be maintained to ensure all relevant details are available and that ongoing procurement exercises are planned and actioned in a timely manner
- Contracts will be managed, with regular service meetings and reviews documented
- Performance will be annually assessed and reported to the Executive Director of Corporate Services, and Sub-Committee as appropriate, and in the case of investment mandates, an annual fees assessment will be undertaken as part of the annual independent performance review

3.3. Business Continuity Planning

- As part of the tender process, all suppliers will have to provide adequate business continuity plans, detailing support in event of failure of service supply
- As part of the tender process, all suppliers will have to provide response detailing transition arrangements at end of contract period
- All contract extensions will be subject to waiver process noted above as require authority from the Executive Director of Corporate Services

