

REPORT TO: POLICY & RESOURCES COMMITTEE – 25TH JUNE 2018

REPORT ON: PROCUREMENT UPDATE REPORT AND CORPORATE PROCUREMENT STRATEGY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 216-2018

1.0 PURPOSE OF REPORT

This report provides an update, details of future planned activity and reviews the progress made of work being undertaken by the Corporate Procurement Team. The Corporate Procurement Strategy for the period 2018 to 2020 is also provided for approval.

2.0 RECOMMENDATION

It is recommended that the Committee

- Note progress made within the Corporate Procurement Team and approve the planned actions and activities to realise the savings and benefits targets included in the report.
- Approve the priorities outlined in Key Future Workstreams detailed in paragraph 4.8
- Approve the Corporate Procurement Strategy 2018 – 2020 (Appendix 4)

3.0 FINANCIAL IMPLICATIONS

Procurement Savings included in 2016/17 budget volume were £300,000 and in 2017/18 were £122,000. Other procurement savings and cost avoidance both in revenue and capital expenditure were achieved totalling £262,000 for Dundee City Council and £196,000 to partner organisations, with the benefit being fed back into individual services. The intention is to continue to work with services on an ongoing basis to identify savings opportunities and work in conjunction to incorporate them as part of the budget setting process. Key to this, is the engagement of all services with Corporate Procurement, to identify, confirm and action these savings opportunities. Monitoring of these savings will be carried out by Corporate Procurement and agreed with each services.

4.0 MAIN TEXT

4.1 BACKGROUND

Procurement activity within the Council, over the past 4 years, has moved to a centralised approach, from both a Procurement and Payments perspective following the appointment of the centralised Corporate Procurement Team in

2014. Performance metrics are used by the team to continuously track performance and identify areas for further improvement, the metrics used are:

<u>Purchases</u>	<u>2016/17</u>	<u>2017/18</u>
Total Spend	£238,756,298	£277,108,961
Total number of suppliers	3561	3264
SME (small and medium enterprise) suppliers	1487	1354
SME Spend	40%	35%
Local Suppliers (Dundee City)	366	405
Local Spend (Dundee City)	35%	30%
Supported Business Spend	0.29% (£703,456)	0.22% (£698,626)
<u>Payments</u>		
Total number of invoice payments	160,159	149,521
Invoices paid by electronic means	159,123	149,371
Value of invoices paid by electronic means	£238,700,100	£276,831,852
Invoices paid within 30 days	97%	97%
Dundee supplier invoices paid within 30 days	98%	98%
Dundee supplier invoices paid within 14 days	94%	94%

Corporate Procurement, through centralisation activity has continued the change from a reactive, tactical procurement approach across the Council to a more strategically planned and proactive focus, as a result of this the priorities for Corporate Procurement have been:

- embedding a more corporate, consistent and commercially focussed approach to all procurement and commissioning activities;
- improving the systems, skillset and knowledge base to support this approach;
- embedding sustainable procurement as 'business as usual', and securing maximum social value from the council's significant spend.

4.2 TEAM STRUCTURE

The organisation of the Corporate Procurement Team formally aligns procurement activity from Council services within a corporate Category Management structure.

The Corporate Procurement Team is now fully engaged in allocated category responsibilities. Time has been spent engaging with officers within Council services to explain the role of Category Management, understand the existing contractual arrangements that are in place and to develop workplans with the respective officers, in preparation for upcoming contract development. Work has also been undertaken

to engage with our collaborative buying partners such as Tayside Procurement Consortium, the wider Tayside Public Sector organisations and Scotland Excel. A procurement service is also provided to Leisure & Culture Dundee, Tay Road Bridge Joint Board, Dundee Science Centre and Tayside Valuation Joint Board, with associated income streams for this service delivery, the service provides for access to all collaborative opportunities as well as bespoke procurement activity in support of these organisations.

Staff Development has been key to the enhancement of the team's service. The past few years have provided a valuable learning and development experience for all team members, whether they were previously in, or were new to Corporate Procurement. The blend of skills that has been brought together have provided strength to the team as a whole. Development of individual team members has been through 'on the job', category specific training in house or via external courses, along with more formal professional development. 4 staff members are currently undertaking CIPS (Chartered Institute of Purchasing and Supply) studies, with a further 2 participating in MA (Modern Apprenticeship) Digital Applications.

Greater focus has been placed on strategic procurement planning; a more consistent and formalised approach to contract management; benefits recording & monitoring and on-going process improvements.

4.3 STRATEGIC DIRECTION

Corporate Procurement now has the building blocks in place to drive forward Strategic Procurement and Commissioning. The coming years will see challenges in terms efficiency and savings, and Corporate Procurement will continue to seek tactical savings from contracts let nationally, regionally and locally. In conjunction with this, Corporate Procurement will work with services to continue to embed procurement best practice, through the reduction in non-compliant spend; proactively working with officers in ensuring that specification of requirements in the tendering process and through improved contract & supplier management, deliver a best value offering for the Council.

Scottish Government continues to promote a national strategy of procurement reform to drive continuous improvement in procurement practice across the public sector in Scotland. This has been supported by a mix of policy initiatives and legislative changes including:

- Procurement Reform (Scotland) Act 2014
- EU Procurement Directive on public procurement
- EU Procurement Directive on the award of concession contracts
- EU Procurement Directive for electronic invoicing in public procurement

The Scottish Government Procurement and Commercial Improvement Programme (PCIP) was launched in 2016. The PCIP focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. Dundee City Council undertook its' first PCIP assessment in August 2016. The PCIP focusses on four main elements:

- Leadership and Governance
- Development and Tender

- Contract Management
- Purchasing Processes

Dundee City Council's highest performing areas in relation to local authority averages were in the areas of Sustainability, Internal Control Systems, Contractual Obligations and Additional Benefits, and Implementation & Exit Strategies. Lower performing areas, and those which have been targeted for internal improvement programmes were Stock Management, Specifications, Procurement Influence and Contract & Supplier Management. In the year and a half since the assessment, a significant amount of work has been undertaken with services to improve in these areas, and this can now be demonstrated as being 'business as usual'. The next PCIP will be conducted prior to June 2019.

Social Care

The Council supports the guiding principles of the Procurement of care and support services jointly published by the Scottish Government and COSLA. It reflects the complexity of procuring care and support services and the challenges associated with upholding values, delivering high standards and responding to individuals' needs whilst complying with procurement rules and securing best value. It applies to the procurement of:

- social care and support services for children and families, younger people and adults, including older people;
- care at home services
- social care and support services commissioned by criminal justice organisations.

The Integration of Health & Social Care, along with the changes to Part B services commissioning within the Procurement Reform (Scotland) Act 2014 has resulted in further consideration of how the commissioning of Care Services are undertaken. These changes, however, cannot detract from the complexity of procuring care and support services and the challenges associated with upholding values, delivering high standards and responding to individuals' needs whilst complying with procurement rules and securing best value. The council is committed to:

- Outcomes – achieve positive outcomes for service users and carers through the delivery of good quality, flexible and responsive services which meet individuals' needs and respect their rights.
- Strategic commissioning – place the procurement of services within the wider context of strategic commissioning, reflecting strategic and service reviews.
- Personalisation – secure personalised services which provide independence, choice and control for service users.
- Involvement – involve service users and carers as active partners in defining their needs and the outcomes they require and in the design of services.
- National Care Standards – ensure services meet the National Care Standards and adhere to the principles underpinning the Standards (dignity, privacy, choice, safety, realising potential and equality and diversity).
- Codes of Practice (Scottish Social Services Council) – ensure staff involved in procuring services promote the interests and independence of service users and carers, protect their rights and safety and gain their trust and confidence; ensure employers provide training and development opportunities which enable staff involved in procuring services to strengthen and develop their skills and knowledge.

- Best value – secure best value by balancing quality and cost and having regard to efficiency, effectiveness, economy, equal opportunities and sustainable development.
- Benefit and risk – base strategic decisions concerning the procurement of services on benefit and risk analysis of the potential effects on: the safety and well-being of service users and carers; the quality and cost of services; and partnership working with service providers and workforce issues.
 - Workforce – ensure the procurement of services takes account of the importance of a skilled and competent workforce in delivering positive outcomes for service users.
 - Partnership – promote collaboration between public bodies and partnership working across the public, private and voluntary sectors to make the best use of the mixed economy of care and bring about cultural change in all sectors.

4.4 COLLABORATION

The Council participates in collaborative contracts put in place nationally by the Crown Commercial Service, in Scotland by Scottish Procurement and Scotland Excel, locally by Tayside Procurement Consortium, as well as those of other UK based central procurement bodies. The Corporate Procurement Team works with all the organisations listed to ensure that optimum collaborative opportunities are taken, but at the same time ensuring contract management is carried out at a local level to ensure best value is achieved for Dundee City.

Dundee City Council was the founding member council of TOPIC – Tayside Cross Public Sector Collaborative working group, with members from NHS Tayside, Tayside Procurement Consortium, University of Dundee, Abertay University, Dundee & Angus College and APUC (Advanced Procurement for Universities and Colleges). Work is ongoing within this group on various collaborative procurement and supplier development opportunities

The Council is committed to collaborative procurement and actively takes part in many National and Sectoral contracts. Examples of recent collaborative participation include the National Care Home Contract, Online School Payments, Asbestos Surveys & Removal, Multi-Functional Devices (MFD) and Removals. We will continue to look for collaborative procurement opportunities that will support the delivery of benefits for the Council and its communities.

Dundee City Council also acts as lead authority on a number of collaborative contracts including:

- Managed Print/MFD Contract – Corporate Procurement Manager is Tayside Lead for contract which supports 3 Local Authorities, Dundee & Angus College, Tayside Contracts and various 3rd Sector organisations, the last contract expired in December 2017 and had no cost increases during its' life. The new contract has recently been re-let and has provided double digit percentage savings to all members.
- Lead Authority procurement support provided on National Entitlement Card, Business Gateway and Employability contracts
- Dundee City Council is currently in the process of creating a number of construction framework agreements, which are being written not only for use by

Dundee City Council, but also being made available to Angus, Perth & Kinross Councils, as well as Tayside Contracts.

As well as contractual collaboration Corporate Procurement works closely with our partner organisations in other areas where collaborative benefits may be realised, for example with:

- Tayside Meet the Buyer event – organised by Dundee City Council's Economic Development and Corporate Procurement teams – the most recent event in 2018 attracting exhibitors from all Public Bodies as well as main contractors working in the Tayside area. The event was attended by over 300 delegates, generating very positive feedback, along with spin-off one to one training sessions being provided to individual delegates to assist them in bidding for public sector opportunities. The team responsible for organising the event were recognised as OSCA finalists in 2017.

4.5 PROCUREMENT STRATEGIES AND POLICIES

The Council has a requirement to standardise its procurement documentation, Corporate Procurement is working in partnership with the Legal Section to update the Council Standing Orders and Tendering Procedures to reflect the Corporate Procurement approach, changes to the law and best practice. These will be updated in line with the new EU Legislation and The Procurement Reform (Scotland) Act 2014 and will then be subject to ongoing review as the procurement landscape changes.

In conjunction with this, a review of the format of tender reports for Committee will be undertaken to ensure a consistent approach, along with a summary of pertinent required elements, including Community Benefits.

The Council is implementing a consistent approach to contract and supplier management. A review of the current supplier base is being undertaken at present with a view to relevance and appropriateness based on compliance requirements, with prioritised contract management on high value, high complexity and/ or high risk contracts. The process will be embedded to drive best value within existing contracts.

Corporate Procurement have an active role in the development of Dundee City's Third Sector and Small to Medium Enterprises (SME's), working closely with the Council's Economic Development Service to identify areas where procurement support is required. The team regularly take part in supplier development events to encourage local suppliers, and advertise all contract opportunities above £50K on the Public Contracts Scotland Advertising Portal. Contracts below £50k are issued as Quick Quotes to a minimum of 3 companies (where possible) selected from the Public Contracts Scotland portal and have committed (where possible) to include at least one of the companies selected in this process to be from Dundee City to support the local agenda. Metrics have shown a slight reduction in the amount of direct spend locally and with SMEs, this is largely due to a large number of major capital projects being awarded which has resulted in an increase in the number of sub-contract opportunities being realised which are directly managed and monitored via Dundee City Council's Community Benefits monitoring which has managed and captured the spend and other positive outcomes of this programme.

The Council recognises that as an increasing proportion of its addressable procurement spend is going through a rigorous tendering procedure, the opportunities for future revenue savings still exists but cannot be achieved from re-tendering alone in the long term. An increasing focus therefore will be given to better contract and supplier management as a route to further ongoing savings as well as demand management, working with services to establish the best means to achieve their required outcomes. A Procurement Savings Review is in the process of being set up with Finance Officers from respective services to ensure that contract savings being achieved are being recognised and accounted for in budget planning.

The Council is committed through its procurement processes to follow the Scottish Government's Procurement Policy Notes and with the inclusion of Fair Work Practice and the ESPD (European Single Procurement Document) which provides advice and guidelines on the qualitative selection criteria as well as exclusion grounds from public contracts on grounds relating to criminal convictions, payment of taxes or social security contributions, blacklisting and insolvency, conflicts of interests or professional misconduct. Dundee City Council has implemented these guidelines within its procurement processes.

4.6 COMMUNITY BENEFITS & SUSTAINABLE PROCUREMENT

Since the appointment of a Community Benefits Officer in June 2014 Dundee City Council has become one of the leading Scottish Local Authorities in this subject area both from a contract and policy perspective. The approach within Dundee City Council has been to consider community benefits for inclusion in all contracts, where appropriate. This approach has enabled, not only the traditional areas of Employability to realise opportunities, but also through further engagement with Schools, Colleges, The Third Sector and local SMEs.

This focus is further demonstrated by the council's commitment to actively participating in a number of local and national initiatives:

- Supplier Development Programme – Corporate Procurement Manager has been a Board Member of this national programme since January 2015 and is a committed supporter of this programme and any associated events
- Ready for Business – Scottish Government sponsored Community Benefits Champions network – supported by DCC Community Benefits Officer
- Social Enterprise Development Board – supported by Corporate Procurement Manager and Community Benefits Officer
- In Kind Support to Third Sector – enabling access to applicable contracts for 3rd Sector organisations
- Tayside Meet the Buyer events – facilitated by Dundee City Council City Development (Economic Development) and Corporate Procurement – large turnout from SMEs with spin-off training events being supported. This event was strongly supported by officers from a number of council services and has enabled small contract opportunities for SMEs to be developed. Events have also been planned to coincide with particular contracts and to provide organisations with a look ahead on our procurement planning activity, both from a capital and revenue

perspective. Supplier training and development sessions are being co-ordinated in support of this.

- Environmental impact of supply chain – including the requirement for suppliers to become members of ECO Stars Fleet Recognition scheme (where appropriate). ECO Stars is a free environmental fleet management recognition scheme, which rates individual vehicles and overall fleet operations to recognise levels of environmental performance. The ECO Stars scheme has been set up to help fleet operators improve efficiency, reduce fuel consumption and reduce emissions – all helping to improve local air quality and, at the same time, make cost savings

Recording & reporting of realised Community Benefits and other sustainable procurement matters as part of overall contract management, benefits recording and monitoring, is being undertaken. A separate update on report on Community Benefits achieved, as well as an update to the councils' Community Benefits policy is available under report number 153-2018.

4.7 PROCUREMENT SYSTEMS

The Council's P2P (Purchase to Pay) approach has been to have both a centralised procurement and invoicing system. This has allowed for the continued reduction in non-compliant spend as well as efficiencies as invoice processing was migrated to the central team within Corporate Procurement.

The Strategy being followed to achieve these objectives included the following main elements:-

Increasing Efficiency by the removal of duplication, eliminating paper and increasing supplier engagement mainly in the ways in which we process invoices. In addition, there have been efficiencies generated by improved access to information via scanned images. Supplier payment performance has improved from 94% for all suppliers in 2014/15 to 97% in 2017/18 – with Dundee suppliers seeing an increase from 95% to 98% over the same period.

Improving Control through systematic controls, forcing compliance, improved management information and electronic alerts and reminders. A No PO (purchase order)/No Pay approach is being actively enforced with both council services and our suppliers and contractors. This has ensured approvals to purchase, clear financial commitments and payment accuracy. All of this has assisted in ensuring the payment process is performing at a high level to suppliers and contractors.

The development of a seamless purchase to pay process achieved through the continued development and implementation of Civica Purchasing, Intelligent Scanning, Government Procurement Cards (including Lodged Procurement Cards), e-Invoicing, Self-Billing and the development of a Suppliers' Portal. There are several ordering systems which operate within Dundee City Council, some of which interface into Civica Purchasing and thereby create a commitment for the order. However, all payments to suppliers are interfaced into the Financial System to pay suppliers.

4.8 KEY FUTURE WORKSTREAMS FOR 2018/19

Activity	Target completion date	Owner
Review of Financial Regulations, Contract Rules / Standing Orders	30/10/18	Corporate Procurement Manager
Incorporating Legal/Organisational developments into our procurement approach	Ongoing	Corporate Procurement Manager/Senior Contracts Officer
Maximise the social and economic impact of the major developments across the city being led by the council	Ongoing	Corporate Procurement Manager/Community Benefits Officer
To work with major private sector employers and business organisations such as the Chamber of Commerce & Scottish Enterprise to build further commitment to the Living Wage and Fair Work in Dundee	Ongoing	Corporate Procurement Manager/Community Benefits Officer
Staff Training & Development Plan Roll out	Ongoing with staff development training underway	Corporate Procurement Manager
E Tendering Introduction	30/10/18	Corporate Procurement Manager
Further development of Purchase to Pay	Phased over 2018/19	Corporate Procurement Manager/Compliance & Processing Officer/Category Officer

5.0 REPORT ON PROCUREMENT ACTIVITY

Introduction

Section 18 of the Procurement Reform (Scotland) Act 2014 sets out the minimum content that an annual procurement report must include. Notwithstanding the earlier content within this report this section details the content which is required as part of standard reporting:

5.1 Summary of Regulated Procurements completed

A regulated procurement is any procurement for supplies or services with a value over £50,000 and for works contracts with a value of over £2 million. A regulated procurement is completed when the contract is awarded and an award notice is published on Public Contracts Scotland web portal. This procurement activity is in line with Dundee City Council's Corporate Procurement Strategy

Appendix 1 below shows all Regulated Contracts awarded by Dundee City Council directly or via Tayside Procurement Consortium (on behalf of Dundee City Council) between 1 April 2016 and 31 March 2018

5.2 Review of Regulated Procurement compliance

Community Benefit summary – Dundee City Council's Community Benefit through Procurement Policy has been in place since 2012, with an update being submitted for approval in June 2018 . While community benefits must be considered for all procurement processes at or above £4 million in value the sustainable procurement duty may result in the inclusion of community benefit requirements at lower thresholds. Dundee City Council has adopted the approach to consider the inclusion of Community Benefits in all procurements, where appropriate. Appendix 2 provides details of Community Benefits achieved.

Supported Businesses Summary – Supported Businesses make an important contribution to the Scottish economy, through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who may otherwise be excluded from the workplace.

This is an important element of the sustainable procurement duty and the steps taken by the organisation to facilitate the involvement of supported businesses in regulated procurements will therefore be helpful to the organisation in demonstrating compliance with that duty.

Dundee City Council has taken a proactive approach in working with Dovetail Enterprises, a Dundee based supported business. Key activities have been the sourcing and supply of furniture and other household goods for clients of the Scottish Welfare Fund, as well as furniture supply for Council establishments. Spend with Dovetail over 16/17 and 17/18 was £698,626 and £622,611, respectively. This spend has assisted in both sustaining and creating new employment opportunities within Dovetail. Other purchases have been made from Haven Sign Factory in Larbert, with further supply chain integration opportunities being explored with other supported businesses. Dundee city Council is fully committed to considering opportunities for Supported Business, wherever possible.

Future Regulated Procurements Summary – Appendix 3 – details the upcoming tenders to be undertaken by Dundee City Council in the coming two years.

6.0 CONCLUSION

The centralisation of Procurement activity within Dundee City Council has yielded benefits both from an efficiency and compliance perspective, and will continue to ensure Best Value and Best Procurement Practice considerations. The City Council,

through continued delivery of this corporate approach can optimise benefits realisation or whole-life costing models, and in doing so improve its procurement practice and realise increased savings and efficiency.

7.0 POLICY IMPLICATIONS

Procurement Strategy 2018 - 2020

The activities of the Corporate Procurement team are fully aligned to the delivery of the Council's current approved and proposed Procurement Strategy and objectives

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness & Poverty, Environmental and Corporate Risk. A copy of the impact assessment is available on the Council's website at www.dundee.gov.uk/ija

8.0 CONSULTATION

There has been ongoing constructive and positive dialogue within the project group comprising officers from the procurement team and Council Services.

The Council Management Team have been consulted on and are in agreement with the terms of this report.

9.0 BACKGROUND PAPERS

None

Gregory Colgan
Executive Director of Corporate Services

Date: 25th June 2018

Appendix 1

Contract Description	Contract Start Date	Contract End Date (inc extension)	Estimated Value (£NET incl extensions)
Civil Engineering Framework - Projects up to a value of £1m	27/10/2014	31/07/2018	Up to 1000,000.00
Treatment of Residual Waste	28/11/2017	27/11/2045	£505,000,000.00
Homecare Service for Older People and Other Adults	01/06/2016	31/03/2019	£11,536,070.00
Supply of Business Gateway Services (for the Tayside Area)	01/04/2017	30/09/2022	£5,999,975.00
Homecare Services for Older People and Other Adults	31/01/2016	31/01/2019	£5,297,117.61
Provision of Insurance Services for Dundee City Council	01/01/2015	31/12/2022	£4,829,684.51
Contract for the Supply of SmartCard Management Services	01/04/2017	31/03/2022	£4,749,788.00
Contract for the supply of a twice daily return air service between Dundee airport and London	26/03/2017	26/03/2019	£3,672,251.54
Supply of Contact and Case Management System (for Social Work and Education)	17/07/2015	17/07/2020	£1,893,935.00
Employability Pipeline Services	01/04/2017	31/03/2019	£1,300,000.00
Provision of Occupational Health Services	01/04/2015	31/03/2020	£1,179,190.00
Supply of and Integrated Housing Management System	28/03/2016	31/03/2021	£1,139,978.00
Service and Maintenance of Lifts and Hoists	01/04/2016	31/03/2020	£1,000,000.00
Supply of Golf Course Maintenance	01/04/2017	31/03/2020	£952,058.28
Provision of Local Bus Service	31/08/2016	31/08/2021	£746,325.00
Supply of Internal Audit and Advice	13/11/2017	30/06/2022	£703,800.00
Home Contents Insurance Services for Dundee City Council Tenants	01/04/2017	31/03/2022	£700,000.00
Contract for the supply of a mobile working, scheduling and repairs system	06/07/2017	06/07/2022	£628,095.00
Service and Maintenance of Swimming Pool Equipment	30/06/2017	31/05/2021	£573,136.00
Supply of Customer Services Platform	01/01/2017	31/12/2021	£548,400.00
Implementation of an Improvement Plan for Passenger Transport and Fleet	01/09/2016	31/08/2019	£547,000.00
Supply of Sheriff Officer Services	01/08/2017	31/07/2022	£465,904.00
Provision of Project Management and Smart Mobility Sharing Services for the Dundee Mobility Integration Living Laboratory	14/07/2017	17/07/2018	£465,270.00
Supply of Active Schools Service	01/04/2016	31/03/2019	£450,000.00
Award of Mini Comp under LGPS Framework for Third Party Admin Services	07/06/2017	07/06/2018	£434,287.50
Treatment of Food Waste	01/04/2016	31/07/2021	£430,658.80
Asbestos Surveys	01/04/2015	31/03/2019	£400,000.00
The Supply of Communication Systems Maintenance	01/10/2015	01/10/2019	£382,407.00

Service and Maintenance of Heating and Ventilation Control Systems	21/07/2016	21/07/2020	£380,710.67
Supply of School Bus Services and Season Tickets	15/08/2016	30/06/2018	£327,000.00
Service and Maintenance of Air Handling and Air Conditioning Units	13/05/2016	13/05/2020	£286,486.67
Supply of Blade Servers and Chassis	25/08/2015	24/08/2019	£263,891.76
Rental of Fitness Equipment	01/07/2015	01/12/2020	£249,876.00
Supply of Service and Maintenance of Water Hygiene Monitoring Programme LOT 2	01/04/2017	01/04/2021	£246,477.88
Provision of Services of External Alternative Education Provision, related to the Needs of Students with Social Emotional and Behavioural Difficulties, whose Circumstances and Needs are Formally Assessed as Requiring Educational Provision outwith the Mainstream School	09/06/2017	09/06/2018	£225,000.00
Supply of Service and Maintenance of Water Hygiene Monitoring Programme LOT 1	01/04/2017	01/04/2021	£223,193.39
Supply of Smart Cards	28/03/2016	27/03/2021	£222,000.00
Supply of Local Bus Services	31/08/2016	31/08/2021	£194,350.00
Supply of the Water Quality Inspection Programme	29/03/2016	29/03/2020	£186,779.07
Supply of a Collections Management System	01/04/2015	31/03/2020	£169,621.00
Service & Cleaning of Boilers, CHP Units, Burners and Flues	06/06/2016	06/06/2020	£169,116.00
Service and Maintenance of Chilled and Hot Water Drinking Appliances	30/04/2016	30/04/2020	£168,006.67
Mini Competition under the National LGPS Framework for Global Custody Services (NCCT40221)	01/07/2017	01/07/2024	£144,969.00
Supply of Water Quality Inspection	01/04/2016	31/03/2020	£140,084.40
Communication Systems Maintenance Support	28/05/2015	28/05/2018	£127,469.00
Mini Competition under CCS Framework RM3733, Lot 1 For the Supply of Net App	05/05/2017	06/05/2017	£124,268.00
Service and Maintenance of Fire Detection & Alarm Systems	01/04/2017	01/04/2021	£123,333.33
Supply of services and maintenance of sprinkler protection	31/08/2015	31/08/2019	£111,986.67
Award of Supply of Merchant Services	01/10/2015	30/09/2020	£109,395.38
The Provision of Outward Bound Courses 2016-17 and 2017-18	16/12/2016	31/12/2018	£107,069.00
Service and Maintenance of Kitchen/Catering Equipment	09/05/2016	09/05/2020	£100,677.00
Site Investigation and Contaminated Land Framework Agreement	01/09/2016	31/08/2020	£100,000.00
Supply of Service and Maintenance of Automatic Doors	01/04/2017	01/04/2021	£94,841.33
Heat Supply and Maintenance to the Biomass System at the Crescent Dundee	20/11/2015	20/11/2019	£92,466.00
Award for the Prince's Trust 'Fairbridge 'Programme	26/02/2016	31/12/2018	£90,000.00
The Design of the V&A Museum of Design Dundee Restaurant and Cafe	17/07/2017	17/07/2018	£82,000.00

Case Management and Management Information System	01/02/2017	31/01/2020	£77,758.00
Third Party Administration Services (Lot 2 – Pension Administration Support Services) in support of the Local Government Pension Scheme	07/06/2017	30/09/2018	£74,900.00
Service and Maintenance of Kitchen Canopies, Ductwork, Extract Ventilation and Insectocutors	09/05/2016	09/05/2020	£72,560.00
Service and Maintenance of Multi-Storey Tank and Pump Systems	30/04/2016	30/04/2020	£65,342.83
Sub Contract Opportunity for Replacement Windows, Doors Ancillary Works Ardlar PS Dundee	30/05/2017	30/03/2018	£65,203.40
Supply of Service and Maintenance of Local Exhaust Ventilation Systems	01/04/2017	21/03/2021	£63,992.00
Recyclable and Residual Waste, relating to treatment of Co-Mingled Dry Recyclable Waste	09/07/2016		£63,218.88
Provision of Languages Policy for Scotland (Languages 1 +2)	05/12/2016	30/11/2018	£60,000.00
Service and Maintenance of Roller Shutter Doors	01/12/2016	01/12/2020	£59,445.33
The Hire, Transport, Erection and Taking Down, Anodised Aluminium or Steel Clear Span Frame Tents for Dundee Flower and Food Festival	01/09/2017	03/09/2019	£57,560.00
Contract for the Supply of Fort System Rental	17/08/2017	16/08/2020	£57,500.00
Award of Sub-Contract Works for Refurb of Water Services at Rockwell Learning Centre	06/03/2017	06/03/2018	£51,840.88
Remedial Works to Headstones over 1.5m Tall	17/10/2016	31/03/2017	£50,585.00
Award for the Air Quality Monitoring Services	26/05/2016	27/05/2021	£50,282.00

Awards approved by Tayside Procurement Consortium Steering Group which Dundee City Council Access - Estimated Value is for Tayside as a whole	Contract Start Date	Contract End Date (inc extension)	Estimated Value (£NET incl extensions)
Weather Information Services	01/08/2017	01/07/2022	£450k
School and Community Buildings	01/06/2017	01/04/2021	£TBA
Education materials	01/07/2017	01/06/2021	£1.4m
Events & Video Production Services	01/07/2017	01/06/2021	£105k
Public Relations Services	01/07/2017	01/06/2021	£90k
Market Research Services	01/07/2017	01/06/2021	£100k
Creative Services	01/07/2017	01/06/2021	£110k
Digital Marketing Services	01/07/2017	01/06/2021	£120k
Frozen Food	01/07/2017	01/06/2021	£1.7m
Organic Waste	01/08/2017	01/04/2021	£1.5m
Grounds Maintenance Machinery	01/06/2017	01/05/2021	£2m
Modular Buildings	01/08/2017	01/04/2021	£150k
Communal Entrance Door Sets	01/06/2017	01/04/2021	£75k
Print Services	01/05/2017	01/04/2021	£500k
Open Data Platform for PKC & DCC	01/05/2017	01/07/2019	£240k
PPE	01/05/2017	01/04/2021	£670k
Energy Efficiency Contractors	01/05/2017	01/04/2021	£4.7m
Playground Equipment	01/05/2017	01/03/2021	£430k
Education and office furniture	01/04/2017	01/02/2021	£620k

Tyres	01/11/2017	01/10/2021	£400k
Web GIS	01/10/2017	01/09/2021	£160k
Horticultural products	01/11/2017	01/10/2021	£300k
Vehicle and plant hire	01/11/2017	01/10/2021	£1.2m
Refuse and recycling containers	01/11/2017	01/11/2021	£300k
Wireless Maintenance	01/10/2017	01/10/2020	£320K
Multi-Functional Devices	01/01/2018	01/12/2023	£1.2m
Election Services	01/11/2017	01/10/2021	£300k
Pest Control	01/12/2017	01/11/2021	£165k
Heavy goods	01/03/2018	01/02/2022	£3m
Steeplejacks	01/12/2017	01/11/2021	£240k
IT Services – dynamic purchasing system.	01/11/2017	01/10/2019	£250k
Water Coolers	01/01/2018	01/01/2022	£130K
Repair & maintenance of Catering Equipment	01/01/2018	01/01/2022	£500K
Trades Materials	01/02/2018	01/02/2022	£200k
Milk	01/03/2018	01/02/2022	£240K
Library & Text Books	01/01/2018	01/01/2022	£635k
Wood waste	01/04/2018	01/03/2022	income
email security	01/04/2018	01/03/2022	£100k
Roads maintenance	01/04/2018	01/03/2022	£2m
AV maintenance	01/03/2018	01/02/2021	£15k
Swimming Pool Chemicals	01/01/2018	01/01/2022	£50k
Bus Shelter Cleaning	01/01/2018	01/01/2019	£50k
maintenance of sports equipment	01/04/2018	01/03/2022	£50k
Bottled Gas	01/11/2017	01/10/2021	£45K
Water Testing	01/09/2017	01/08/2021	£70k
CCTV consultancy	01/08/2017	01/08/2019	£35k
Commercial Laundry Equipment	01/11/2017	01/10/2021	£70K
Consultancy Services	01/05/2017	01/03/2018	£60k

Appendix 2 Community Benefits Update

Introduction

This section provides an update on Community Benefits which have been secured as part of Dundee City Councils Community Benefits Approach. The Procurement Reform Act requires organisations to report on number of contracts over and under 4 million which include Community Benefits.

13 Contracts over 4 million with Community benefits (Detailed below)

33 Contracts under 4 million with Community Benefits (including 9 Home Care contracts)

Given the nature of contracts, covering more than one financial year Information is provided cumulatively since the beginning of Community benefit programme rather than being presented annually.

Summary of Achievements Capital Construction Programmes

While community benefits is now implemented across the range of council's procurement activity the largest projects remain in the Construction Area. For Capital Construction projects activity is shown cumulatively and includes recent and current Waterfront, School, Housing and Partnership Activity. Details of each of these areas is provided below.

Supplier Development	
Local Construction Spend (within 35 miles)	£55,306,812
Average Percentage of Spend which was local (within 35 miles)	48%
Average Local Labour (within 35 miles)	73%
Employment and Skills	
Employment Opportunities Created	186
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	84
Project Initiated Modern Apprenticeships	73
Existing Modern Apprentices	203
Work Experience Opportunities	268
Awareness Raising Activity	
Awareness Raising Events and Activities Delivered	300
Individuals Supported through Awareness Raising	8473

Recent Highlights from the Construction Community Programmes

The construction area remains the largest and most well developed area of Community Benefits. Some examples are:-

- **Insulation Installer Programme** – Building on the success of the Construction Employability pre-recruitment training programme which supports young people who have had contact with the Criminal Justice System to access employment in ground work a second programme has been developed. This one involved Hart Building who recognised that they had a potential opportunity to create a new grade of semi-skilled worker to undertake the task of insulating properties at Alexander Street and another site they had in the City. In partnership with the Community Benefits programme, the contractor co-designed the Insulation Installer Pre-recruitment Training Programme to train previously unemployed candidates for these newly created roles. Harts

participated in every stage of the programme, supporting recruitment, designing and delivering elements of the training programme and providing onsite training and work experience. The programme was very successful. All 8 candidates' secured work, Hart initially employed 4 as insulation installers and one as a labourer. When one of those candidates didn't work out they were backfilled by another graduate of the programme. This model has worked so successfully for Hart that they have gone on to replicate it in other areas. Feedback from participants was also positive including

'Hart Builders are a smart and organised company with a Good success ratio. Also they care about the community to put together a programme like this, to help citizens get work'

Robertson Pre-recruitment Training programme – again building on success of previous programmes Robertson Construction Tayside approached the council about developing a pre-recruitment training programme, which targeted placements and employment opportunities in a range of different construction disciplines based on the interest of clients and trade areas of participating subcontractors. Robertson assisted in the coordination of the training programme, sourced placement through their supply chained and supported elements of the training on their sites. The programme delivered in April 2018, and still being tracked supported 5 of the 6 participants into work, many of whom had complex barriers to work including Homelessness. Feedback from participants included

'It was a great introduction to being on a modern site. It has allowed me to be more confident in myself'

- **Partnership Action for Continued Employment (PACE)** is the public sectors response to supporting people who are facing or have been made redundant. The Community Benefits programme supports PACE, particularly for Construction Industry by encouraging contractors and subcontractors to attend PACE Events and share vacancies. This includes coordinating the response for apprentices who have been made redundant, this involves working with the sector skills council to identify young people, supporting them to update CVs quickly and arranging interview support if required and linking them with recruiting employers. This support is provided to individual apprentices throughout the year or groups of apprentices in the case of large scale redundancies. An example of this as the Scottish Electrical Group vacancies where 19 of the 20 redundant apprentices were able to be supported back into employment within 3 weeks of being made redundant. The Community Benefit contractors were particularly supportive with McKenna, Robertson and FES, electrical contractor at V&A supporting apprentices, all attending the PACE event and providing opportunities.
- **Share Apprentice Scheme** – Dundee City Council have become partners in the Shared Apprentice Scheme. Previously the Angus Shared Apprentice scheme this programme sees 12 young people in a variety of construction trade areas employed each year. They are employed directly by the scheme who pays their wages when they are in college or on holiday and arranges a series of paid placements for them with construction contractors. The intension of the programme is to support small and micro business to consider becoming involved in apprentice training by removing the risk of having to carry an apprentice during periods when work is slow. The Community Benefits programme supports the scheme by providing access to a core of larger companies which can support the scheme and give young people access to large scale or unusual projects. The first intake of young people from Dundee have started this year, with placements delivered on each of the major contractors sites.
- **Dundee Waterfront** – Community Benefit Contractor Agreements for Construction and End Use contractors are now in use in all Central Waterfront Developments. These agreements require developers on the Central Waterfront to sign up the Councils Community Benefits approach in the Construction Phase and to work with partners to support recruitment in the End User Phase of

developments. Waterfront construction projects continue to include mandatory community benefits with Waterfront Site 6 (Office development) recently on site and Waterfront Site 2 to commence later this year. Activity has also begun to support End Use contractors on Dundee Waterfront. A pre-recruitment training programme has been developed in partnership with key hospitality contractors using a customised version of the Discover Work Teams EmployabilityTAY programme. The first HospitalityTAY programme has been developed with Brassica, a new restaurant situated in Caird Hall. This programme resulted in all 9 clients, some of whom had significant barriers to work, securing employment, 8 with Brassica. A second programme developed in partnership with Sleeperz Hotel is currently being delivered. Recruitment meetings have also been held with Heritage Portfolio and V&A Dundee.

In addition to the Construction Contracts reported there are four additional large scale construction Capital projects which are intended to be on site in the coming months. These are Darby Street Housing Development delivered in partnership with Hillcrest Housing Association, Waterfront Site 2, a housing development and mixed use development which will be delivered by Robertson; the Regional Performance Sports Centre and District Heating project which will be delivered by Balfour Beatty and the building of the Dundee and Angus Residual Waste to Energy Plant.

Health and Social Care

Another significant area of activity which now includes Community Benefits is the Health and Social Care Home Care Contracts. Starting from June 2016, this programme saw mandatory Community Benefit requirements entered into Home Care contracts to create new start employment opportunities, work experience opportunities and awareness raising events. Mandatory targets were provided to 8 framework contractors, with support developed to help them achieve their targets. From June 2016 to end of May 2017 contractors employed 39 New starts (people who had been previously unemployed or where new to the industry, delivered 4 work experience opportunities and 23 awareness events, although many of these were recruitment events which included more than one provided. One of the major benefits of the programme has been to better link the Care Home contractors with employability partners including Jobcentre Plus and Dundee and Angus College. The majority of Home Care providers are now working with the Jobcentre and 2 successful recruitment events have been arranged with Dundee and Angus College linking Health and Social Care Students with work placement and employment opportunities in Home Care

Community Benefits in Other Procured Activity

Community benefits have also been delivered in a wide range of other contracts. For lower value contracts, contractors are mostly likely to be asked to deliver a number of awareness raising activities, which link their skills and expertise with groups within the community who would benefit from them. Given the diverse nature of council procurement this means that activity is delivered in a very wide range of areas, some examples of this include –

- **Occupational Health Contract**– the Occupational Health contract with PAM has delivered Community Benefit activity by providing health checks for a series of Healthy Working Lives events targeting SME and high risk groups. This has been particularly successful in Construction with a Healthy Working Lives Event targeted at their predominantly male work force who are less likely to access health support. It was delivered in partnership with Robertson Construction Tayside at the Baldragon site. PAM provided a qualified nurse to undertake one to one health checks, which included BME and blood pressure checks.
- **Health and Safety Contract for the Inspection and Testing of Fire Extinguishers** – the successful contractor M&S Fire Protection are required to deliver 1 awareness raising activity per year. In the first year of their contract they delivered a short certificated Fire Safety Training session to 40 Dundee and Angus College construction students over 4 sessions. This allowed the students hands on experience and guidance from industry experts which enhanced their programmes.

- **Menzieshill High School Demolition** – De-master the successful contractor was required to deliver 2 awareness raising session in relation to this contract. They delivered health and safety and demolition information sessions to 2 assemblies of children from Hillside Primary school including showing them videos and presentations on different types of demolition methods. They also allowed Tayside Police access to the building before demolition began to practice with new equipment to gain forced entry.
- **Health and Safety Air Conditioning Units** –Representatives from the successful contractor Lovatts delivered a session to a group students from Brae view Academy's Higher Business and Employability Programmes talking about the company's own recruitment practices and career opportunities in Engineering and administration. This reinforces positive messages about progression opportunities and provided an insight into the industry.
- **Business Gateway Community Benefit Activity** – Elevator, who's contract is delivered on a Tayside wide bases have delivered a very wide and varied programme of Community Benefit activity which has included the creation of 2 new employment opportunities and delivery of more than 40 events to a wide range of audiences which are additional to their contract requirements. These have included supporting Dundee University with Entrepreneurship week, supporting D&A College staff to build enterprise into the curriculum and supported a range of school based activity including the Tayside Youth Enterprise Festival and supporting school Young Enterprise groups. They also run 2 fully funded Enterprise challenge weekends which support groups of young from Tayside to complete a programme of leadership and team work activities.

Capital Programmes Community Benefits Summary

Contract	Local Spend	% Local Spend	% Local Labour	Employment opportunities	New Start Employment	Project Initiated Apprentices	Existing Apprentices	Work Experience	Awareness Raising Events	Individuals Supported Through Awareness Raising
Waterfront										
V&A	£7,049,138	9%	51%	52	22	18	50	26	28	728
Railway Station	£4,253,069	26%	43%	16	10	6	6	16	16	250
Camperdown Dock to Dundee Airport	£2,156,000	76%	76%	4	3	0	3	7	24	807
Waterfront 4	£3,705,677	41%	58%	11	7	3	0	7	7	146
Waterfront Site 6	£290,348	41%	98%	2	2	0	1	0	11	364
Schools										
North East Campus	£5,135,342	65%	88%	12	2	10	26	37	38	1510
Coldside Primary	£5,295,066	54%	84%	12	4	8	24	40	41	1355
Baldragon	£11,685,020	70%	76%	18	8	10	22	24	31	454
Menzieshill (Tayview)	£4,796,249	54%	79%	10	5	5	21	48	34	1533
Sidlaw View	£6,051,929	84%	73%	8	5	3	13	23	33	857
Harris	£2,414,976	24%	52%	15	7	8		21	29	411
Housing										
Alexander Street	£2,473,998	27%	98%	26	9	2	37	19	8	58
	£55,306,812	48%	73%	186	84	73	203	268	300	8473

Capital Programmes – Area and Project Summaries

Dundee Waterfront Summary

Dundee Waterfront Construction Contract Summary

Supplier Development	
Local Construction Spend (within 35 miles)	£17,454,232
Average Percentage of Spend which was local (within 35 miles)	32%
Average Local Labour (within 35 miles)	65%
Employment and Skills	
Employment Opportunities Created	85
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	44
Project Initiated Modern Apprenticeships	27
Existing Modern Apprentices	60
Work Experience Opportunities	56
Awareness Raising Activity	
Awareness Raising Events and Activities Delivered	86
Individuals Supported through Awareness Raising	2295

Please note that the above summary includes Community Benefit monitoring information from the V&A Dundee, Dundee Railway Station and Concourse, Waterfront 4, Camperdown Dock to Riverside Flood Defence and Waterfront Site 6 Office Build contracts. The Camperdown Dock to Riverside Flood Defence and Waterfront Site 6 contracts are developed under the terms of a Scape Framework contract whereby local spend and labour for this project is measured at circa 40 miles.

V&A Dundee – BAM Construction

BAM have been on site since March 2015. This programme is now complete and the targets have all been achieved but tracking will continue until the end of the programme. Final figures were received on February 2018 and are as follows:-

- Local Contractor Information** –Contractors are asked to report on the percentage of spend allocated to local subcontractors and suppliers within a 35 mile radius, on a monthly basis. Local contractor spend in January 2018 was 14% and since the beginning of the project in March 2015 until the end of January 2018, 9% or £7,049,138 of the contract value has been spent with local subcontractors and suppliers. The highly specialist nature of the design of V&A Dundee meant that specialist subcontractors, not available locally, were required to deliver elements of the project. This has resulted in a lower level of percentage spend than other projects. BAM and some of their subcontractors used Public Contract Scotland (the public sector procurement portal) and local Meet the Buyer Events to raise awareness of available packages. Analysis of awarded contracts suggest that some smaller local subcontractors were vary of being involved in such a unique and risky project. BAM required subcontractors to provide breakdowns of their own costs to identify what had been spent locally in terms of plant, materials, subcontract opportunities and other costs and strongly encouraged them to go local when possible.
- Supplier Development Activity** – 5 Supplier Development Events have been delivered to date, including a V&A ‘Dundee Supplier Development Information’ session on 14 August 2015 and attendance at the redundancy event held for Scottish Electric Group staff.

- **Social Enterprise Activity** – PJ Careys have engaged Hillcrest Maintenance to provide cleaning services and BAM have used Dundee Heritage Trust's, Discovery Point for events.
- **Local Labour**- In December 2017, 52% of the labour on site was local (within 35 miles) and from May 2015 to the end of December 2017 an average of 52% of labour on site was local.
- **Employment Opportunities** – 52 Employment Opportunities have been created on site since March 2015 and of those 22 are defined as 'new start' employment opportunities. New Start employment opportunities are those that have been filled by candidates who were previously either unemployed candidates, a new start from a training programme or those experiencing redundancy. This includes 8 staff recently made redundant from the Scottish Electrical Group.
- **Apprentices** – 18 project initiated apprentices have started in relation to this contract including a previously redundant apprentice from Pressure Fab with local company Metal Tec in January 2017. FES have taken on 7 apprentices, 2 new starts and 5 redundant apprentices from the Scottish Electrical Group including one adult trainee. There has also been 50 existing apprentices on site.
- **Work Experience** –26 work experience placements have been delivered to date, including 9 with school pupils from Grove, Braeview, Harris and Morgan participating in placements. There were also 17 work placements from Abertay, Dundee and Edinburgh Napier universities; Dundee and Angus College and employability programmes from Dundee and Fife.
- **Awareness Raising Activity** – 28 awareness raising events have been delivered to date, supporting 728 individuals. This has included visits and activities for a wide range of groups including school children, college and university students and individuals participating in employability programmes.
- **Other Community Benefits** – The total amount raised for charities on site was £2,742. Including £667 for Alzheimer Scotland, £1,425 for CLIC Sargent and £650 for 'Movember'. BAM sponsored and supported the 'Peoples Tower Project' to construct a replica of the Victoria Arch.

Dundee Railway Station, Hotel and Concourse – Community Benefit Update March 2018

The contractor Community Benefits targets for this project have now been achieved. Progress to date includes:-

- **Local Contractor Spend Activity** – measures now in place to track subcontract and supply spend within 35 miles of site. Local contractor spend in March 2018 was 37% and has been an average of 26% or £4,253,069 since the beginning of the project.
- **Supplier Development Activity** – 4 Supplier development events held including a project specific 'Meet the Buyer' event held in November 2015 for local contractors and suppliers, involving 3 consecutive 'Tayside Meet the Buyer' events. While Balfour Beatty had committed to advertise all subcontract opportunities on Public Contract Scotland, concerns were raised that this may be discouraging local contractors to bid so the requirement has now been removed.
- **Social Enterprise Activity** – Hillcrest Maintenance Services continue to provide site cleaning services and Balfour Beatty also provided sponsorship to the highly successful Dundee Social Enterprise Conference held in October 2016. They have evidenced £28,000 worth of spend with social enterprises since the beginning of the contract.
- **Local Labour** – In February 2018, 59% of labour on site to date were local (within 35 miles). There has been an average of 43% 'local labour' since the project started. Note issues with site sign in system means March 2018 figures not available.

- **Employment Opportunities** – 16 employment opportunities have been created on site including 10 'New Starts'. A new start is defined as someone who has been previously unemployed, redundant or a leaver from a training programme. This includes 4 previously redundant staff from Scottish Electrical Group who have started with Balfour Beatty Kilpatrick.
- **Apprentices** – 6 Project Initiated apprentices have been delivered and the target is now achieved. 6 existing apprentices have also been provided with a similar opportunity.
- **Work Placement** - 16 work placements have been delivered including 6 school work experience placements including a placement for a young person from Connect 5. 10 work placements have been delivered to date including an Employability placement for a young person from the HELM and more recently an HND Building Surveyor student from Dundee and Angus College.
- **Awareness Raising** – there have been 16 awareness raising activities to date supporting 250 individuals. These have included site visits from a range of groups including HND Civil Engineering D&A College Group; Jobcentre staff and employability groups. More recently the Graduate Engineer on site recently took part in the Harris Academy Eco day Challenge. The contractor has been particularly strong in this area and while this target has been achieved the contractor is continuing to support new visit and talk requests.
- **Additional Community Benefits-** Balfour Beatty has provided a £550 contribution to support the Community Benefits Employability programme. This 6 week training and work placement programme supports young people who have had contact with the criminal justice system and is designed to increase their employability and will provide them with access to a guaranteed interview.

Camperdown Dock to Dundee Airport Flood Protection Scheme, Balfour Beatty

This contract began in March 2017 and is delivered through the SCAPE Civil Engineering Framework which means its Community Benefit requirements are slightly different:-

- **Local Contractor Spend** – In Scape Framework projects, contractors are provided targets for local contractor and supplier spend as follows:
 - 75% of spend within 40 miles - average at end of March 2018 of 79%
 - 40% of spend within 20 miles – average at end of March 2018 of 43%
 - 20% of spend within 10 miles – average at end of March 2018 of 39%

Scape Framework contracts are also required to provide monthly actual spend figures and percentage spend figures within 40 miles. To date £2,156,000 has been spent locally within 40 miles and represents 76% of the contract spend.
- **Supplier Development Activity** – Balfour Beatty participated in the Meet the Buyer Tayside Events in February 2017 and 2018. They have also awarded the site cleaning contract to social enterprise Hillcrest Maintenance Services.
- **Local Labour** – 76% of labour on site to date are local (within 40 miles). In February 2018, 100% of staff on site were local. (Note this information is based on site induction rather than daily signing).
- **Employment Opportunities Created** – 4 employment opportunities have been created to date and of those 3 are New Starts, i.e. filled by those who have been previously unemployed, a new entrant or someone made redundant.

- **Apprentice Opportunities** – while no project initiated apprentice opportunities have been created subcontractors have provided opportunities for apprentices on the Shared Apprentice Model. Contractors can provide a cumulative opportunity of 1 year and have it count towards their apprentice targets. 15 weeks of fitter joinery have been provided to date, with a further placement in bricklaying planned in the coming weeks. Other placement weeks have been offered but not progressed due to apprentice illness. 3 existing apprentices have been given ‘on opportunity’ work on site.
- **Work Experience** – 7 work experience candidates have been on site to date, 2 schools work placements and 5 post school. These have included a young person from Barnardo’s Employability programme, a Jobcentre work experience candidate who has progressed into employment, and various joinery placements delivered as part of the Shared Apprentice programme.
- **Awareness Raising Activity** – 24 awareness raising activities have been delivered to date with 807 people being supported. This has included an intensive programme of events with Harris Academy. In January, February and March Balfour Beatty senior staff have been going into school on a fortnightly basis supporting pupils to use Autodesk Revit software.

Waterfront Site 6 Office Development

This contract began in January 2018 and is the first element of site 6 (opposite the Railway Station) and as an Office development. This is being delivered through the SCAPE framework by Robertson Construction. In addition to SCAPE framework requirements, localised community benefit targets are:-

- **3 New Start Employment Opportunities**
- 3 Project Initiated Modern Apprentice Opportunities
- 2 Existing Apprenticeships
- 4 Work Experience Opportunities
- 4 Awareness Raising Outcomes
- 585 Individuals from School and College on Visits (SCAPE)
- 390 Individuals to participate in offsite Awareness Raising Activity (SCAPE)

Progress to date until end of March 2018:-

- **Local Contractor Spend** – In Scape Framework projects, contractors are provided targets for local contractor and supplier spend as follows:-
 - 75% of spend within 40 miles - average at end of March 2018 of 41%
 - 40% of spend within 20 miles – average at end of March 2018 of 41%
 - 20% of spend within 10 miles – average at end of March 2018 of 41%

Scape Framework contracts are also required to provide monthly actual spend figures and percentage spend figures within 40 miles. To date £290,348 has been spent locally within 40 miles and represents 41% of the contract spend.

- **Supplier Development Activity** – Robertson participated in the Meet the Buyer Tayside Events in February 2018 with information on this and other projects.
- **Local Labour** – 98% of labour on site to date are local (within 40 miles). In March 2018, 99% of staff on site were local.

- **Employment Opportunities Created** – 2 employment opportunities have been created to date, both of which are New Starts, i.e. filled by those who have been previously unemployed, a new entrant or someone made redundant.
- **Apprentice Opportunities** – No new apprentices and one existing apprentice has been on site to date.
- **Awareness Raising Activity** – 11 Awareness Raising activities have taken place to date supporting 364 individuals, this has included a wide range of career and problem solving events (Spaghetti Bridges and Tower Builds) with Dundee primary and secondary schools.

Dundee Waterfront 4 with Sir Robert McAlpine

This contract came to an end in Jan 2016 and achieved all of its stated Community Benefit targets and in some cases exceeded them. Summary of activity:-

- 41% of the contract value or £3,705,677 has been spent locally (within 35 miles of site).
- 58% of labour on site was local (within 35 miles).
- 11 Employment opportunities created of those
- 7 New Start employment opportunities have been created and filled with previously unemployed candidates or young people from training programmes.
- 1 Graduate opportunity has been created.
- 3 Modern Apprentice opportunities have been created.
- 7 Work Placements have been delivered on site supporting young people and adults.
- 7 Awareness Raising events have been delivered to date supporting over 130 clients.

The company has also supported initiatives including the Mary Slessor Centre Monument and Roseangle Community Playground.

New and Forthcoming Dundee Waterfront Contracts

Waterfront Site 2

Our Enterprise have been appointed as the development partner for the development of Dundee Waterfront site 2. Planning permission for this project has now been granted with construction currently scheduled to begin in September 2018. Targets for this project have been drawn from the CITB client based approach residential framework. The residential framework has a relatively high target burden particularly for apprenticeships. Targets for this project are:-

- 2 Supplier Development Events
- 7 New Start Employment Opportunities
- 8 Project Initiated Apprenticeships
- 7 Existing Apprenticeships
- 16 Work placement Opportunities
- 7 Awareness Raising Outcomes

COMMUNITY BENEFIT - END USER AGREEMENTS

As the construction of the Waterfront development sites progress, engagement has begun with the first organisations which will be 'End Users' for these developments. To date partnership meetings have been held with Sleeperz Hotels, V&A Dundee, Heritage Portfolio and although not technically part of the Central Waterfront, Brassica restaurant who will take one of the units at the back of the Caird Hall.

The Discover Works Team have worked with employers to develop a pre-recruitment training programme using a customised version of the EmployabiliTAY programme. HospitaliTAY programmes have been developed in partnership with Brassica Restaurants and Sleeperz

Hotel. In these 2 separate programmes candidates will complete a 3 week programme of hospitality and employability training which has been catered to each employers requirements. The Brassica programme is now complete with all 9 candidates securing employment, 8 with the company and the Sleeperz programme is ongoing.

An initial meetings has been held with V&A Dundee and Heritage Portfolio, to offer recruitment support or vacancy management.

School Contracts Summary

Supplier Development	
Local Construction Spend (within 35 miles)	£35,378,582
Average Percentage of Spend which was local (within 35 miles) *	59%
Average Local Labour (within 35 miles)*	75%
Employment and Skills	
Employment Opportunities Created	75
New Start Employment Opportunities (previously unemployed, redundant, graduates or new entrants)	31
Project Initiated Modern Apprenticeships	44
Existing Modern Apprentices	106
Work Experience Opportunities	193
Awareness Raising Activity	
Awareness Raising Events and Activities Delivered	206
Individuals Supported through Awareness Raising	6120

**Schools included in this summary are North East Campus, Coldside Primary, Baldragon Academy, Menzieshill (Tayview), Sidlaw View and Harris Academy. North East Campus, Coldside, Menzieshill and Sidlaw View are delivered through the SCAPE framework meaning 'local for spend and staff are measured at 40 miles.

North East Campus with Robertson Construction through the SCAPE framework

This contract began in April 2017 and is delivered by Robertson Construction under the Scape Framework. While this programme is in the early stages, progress to date towards Community Benefit targets has been strong. Community Benefit Activity delivered to date includes:-

- **Local Contractor Spend Activity** –Local contractor spend in March was 92% and has been an average of 65% or £5,135,342 (within 40 miles) since the beginning of the project. Local contractors included, Soundtex, Dundee Plant, McGills and Angus Decorating.
- **Supplier Development Activity** – Meet the Buyer event held for Robertson projects in November 2016 and involvement in Tayside Meet the Buyer, in February 2017 and 2018.
- **Local Labour** – 92% of labour on site to date are local (within 40 miles) in March 2018, an average of 88% since the project started.
- **Employment Opportunities** – 12 employment opportunities have been created on site including 2 New Starts. A new start is defined as someone who has been previously unemployed, redundant or a leaver from a training programme.
- **Apprentices** 10 Project Initiated apprentices have been recruited to date including apprentices with local firms Dundee Plant, McGills, Soundtex and Angus Decorating.

These have included 2 young people who have progressed from an Employability Fund placement with the HELM into a General Construction Operative Apprenticeship. 26 Existing Apprentices have been on site.

- **Work placement-** 37 work placements have been delivered including 12 school work experience placements and 25 post school placements. These include placements for a range of Dundee and Angus College students and young people undertaking employability programmes with HELM, Barnardos and Activity Agreements.
- **Awareness Raising** – 38 awareness raising activities to date supporting 1510 individuals. This has included a lot of activity with local primary schools including site visits and in October 2017, as part of Health and Safety Week, the contractor hosted a week of themed activities for 80 young people from Craigie, Grove and Braeview Secondary Schools. Pupils undertook site inductions and a range of practical exercises to give them a better understanding Health and Safety Week.
- **Additional Community Benefits-** In addition to DCC requirements Robertson's have some additional workforce development targets as part of their SCAPE reporting. Targets for these have all been achieved and to date include 20 staff on site completing NVQs and 1895 short courses including tool box talks complete.

Cold Side Primary School with Robertson Construction (SCAPE)

This contract began in January 2017 and is delivered by Robertson Construction under the Scape Framework. The contractor has achieved their community benefit targets in most areas and in some areas exceeds them significantly. Community Benefit Activity delivered to date includes:-

- **Local Contractor Spend Activity** –Local contractor spend was 66% in March 2018 and has been an average of 54% or £5,295,066 since the beginning of the project. As this is a Scape framework they are measured at 40 miles.
- **Supplier Development Activity** – Meet the Buyer event held for Robertson projects in November 2016 and involvement in Tayside Meet the Buyer, in February 2017 and 2018.
- **Local Labour** – 82% of labour on site to date are local (within 40 miles) in March 2018, an average of 84% since the project started.
- **Employment Opportunities** – 12 employment opportunities have been created on site including 4 New Starts. A new start is defined as someone who has been previously unemployed, redundant or a leaver from a training programme.
- **Apprentices** 8 Project Initiated apprentices have been recruited to date all with local companies. These have been a trainee engineer with Kilmac, an apprentice in Partitions with Soundtex and Heating Engineers and Electricians with McGill. 24 existing apprentices have also been provided an opportunity.
- **Work placement** - 40 work placements have been delivered including 7 school work experience placement. 33 work placements have been delivered to date including a placements for university students from Dundee and Robert Gordons University, Dundee and Angus College students on a wide range of construction programmes and candidates on Employability programmes. .
- **Awareness Raising** – 41 awareness raising activities to date supporting 1355 individuals. This has included site visits and workshops delivered to local schools, and customised visits for a wide range of college and university courses. The very high level of activity in

awareness raising is down to stretching Scape targets in these areas which requires them to support 602 individuals to complete a site visit and 402 to complete workshop activity.

- **Additional Community Benefits-** In addition to DCC requirements Robertson's have some workforce Development targets and to date have recorded 35 staff completing NVQs and 1027 short courses delivered (including tool box talks).

Baldragon Academy with Robertson Construction through the HUBCO framework

This contract began in February 2016 and was completed in December 2017. It was delivered by Robertson Construction under the Hubco Framework. All targets were achieved and Community Benefit Activity delivered for this project includes:-

- **70%** of contractor spend local (within 35 miles) and £11,685,020 spent locally.
- **76%** of labour local (within 35 miles)
- **18** Employment Opportunities created with 8 of them new starts
- **10** Project Initiated Modern Apprentice and 22 existing apprentices supported.
- **24** work placements have been delivered including 7 school work experience placements and 17 post school.
- **31** awareness raising activities supporting **454** individuals.
- **14** subcontractor's staff have completed NVQs
- **6** individuals have received supervisory training
- **15** received leadership training
- **8** received advanced health and safety training.

Menziesshill (Tayview) Primary with Robertson Construction through the SCAPE

This contract began in May 2016 and is delivered by Robertson Construction under the SCAPE Framework. This contract came to an end in July 2016, the contractor significantly overachieved on all targets. Community Benefit Activity delivered includes:-

- **54%** of spend was local, equating to £4,796,249 (within 40 miles).
- Over £100,000 of contract spend awarded to supported business Dovetail for internal doors and windows.
- **79%** of labour on site was local (within 40 miles)
- **10** employment opportunities have been created on site including 5 New Starts.
- **5** Project Initiated apprentices and 21 existing apprentices provided an opportunity.
- **48** work placements delivered including 15 school work experience placements and 33 post school
- **34** awareness raising activities supporting 1533 individuals. .
- **36** NVQs completed and 1000 short courses or toolbox talks completed.

Sidlaw View with Robertson Construction

This contract began in July 2015 and was completed August 2016 by Robertson Construction under the SCAPE framework. The contractor achieved all their targets and significantly overachieved in some areas. The following Community Benefits were secured:-

- **84%** of spend was local, equating to £6,051,929 (within 40 miles).
- **Over £100,000** to supported business Dovetail
- **73%** of labour on site was local (within 40 miles)
- **8** employment opportunities have been created on site including 5 New Starts.
- **3** Project Initiated apprentice and 13 existing apprentice opportunities

- **23** work placements have been delivered including 11 school work experience placements and 12 post school work placements.
- **33** awareness raising activities undertaken supporting 857 individuals.
- **16** NVQs completed and 1430 short courses including toolbox talks delivered.

Harris Academy with Robertson's Construction

This contract is complete and has achieved all of its stated Community Benefit targets which include:-

- **24%** of the contract value or £2,414,976 has been spent locally (within 35 miles of site)
- **52%** of labour on site was local (within 35 miles)
- **7** new start employment opportunities.
- **8** Project Initiated Apprentice opportunities created
- **21** work experience placements including 4 school based and 17 post school work placements.
- **29** Awareness Raising Events delivered supporting 411 individuals

Housing Contracts

Alexander Street – Hart Builder

Alexander Street Development is a partnership project between Dundee City Council and Hillcrest Housing Association. Hart have been on site since September 2016, activity until the end of March 2018 includes:-

- **Local Contractor Information** – Since the beginning of the project in September 2016 until the end of March 2018 £2,473,998 or 27% of the contract value has been spent with local subcontractors and suppliers.
- **Local Labour**- The site has consistently reported very high levels of local labour on site. In March 2018 100% of the labour on site was local (within 35 miles) and from September 2016 to the end of March 2018 an average of 98% of labour on site was local. Local contractors on site have included Pitkerro Plumbing, Care Electrical, Brakin Decorating, Sidey and Tay Doors. Harts have indicated their intention to re-profile spend information to better reflect elements of subcontractor spend which has been spent locally, it is anticipated that this will increase recorded local spend significantly.
- **Employment Opportunities** – 26 Employment Opportunities have been created on site since September 2016 and of those 9 are defined as 'new start' employment opportunities. New Start employment opportunities are those who have been filled with candidates who was previously unemployed candidates, a new start from a training programmes or those experiencing redundancy.
- **Apprentice Opportunities** – 2 apprentice opportunity has been created on site, an apprentice bricklayer and joiner. This is an area where the contractor has struggled largely due to the amount of direct labour engaged in some of the trade areas i.e. bricklayers who are traditionally less likely to employ apprentices and an initial request to hold apprenticeship placements to support the Hillcrest Apprentices programme which did not continue. This has been offset by the contractor's very strong performance with developing new starts through their bespoke pre-recruitment programme. 37 existing apprentices have been provided opportunities on site
- **Work Experience** – 19 work experience placements have been delivered including providing placements to 8 candidates as part of the pre-recruitment training programme and multiple placements for Castle Huntly candidates.

- **Awareness Raising** - 8 Community Benefit awareness raising activities have been delivered supporting 58 individuals, these have included visits from Dundee and Angus College, and employability groups.
- **Other Community Benefits** - Harts recognised that they had a potential opportunity to create a new grade of semi-skilled worker to undertake the task of insulating properties at Alexander Street and another site they had in the City. In partnership with the Community Benefits programme, the contractor co-designed the Insulation Installer Pre-recruitment Training Programme which intended to train previously unemployed candidates for these newly created roles. Harts participated in every stage of the programme, supporting recruitment, designing and delivering elements of the training programme and providing onsite training and work experience. The programme was very successful. Of the 8 candidates, Hart initially employed 4 as insulation installers and one as a labourer. When one of those candidates didn't work out they were backfilled by another graduate of the programme. This model has worked so successfully for Hart that they have gone on to replicate it in other areas

Derby Street - Richmond Homes with Robertson Construction

This programme is due on site later this year, outline targets agreed to date are to deliver

- **2** Supplier Development Events, including participating in Meet the Buyer events
- **7** New Start Employment Opportunities
- **8** Project Initiated Apprentice Targets
- **7** Existing Apprentices
- **3** school work placement opportunities
- **16** post school work experience opportunities
- **7** awareness raising outcomes

This project has been commissioned using the SCAPE framework which will include additional Community Benefits targets and mandatory targets for local spending at 10, 20 and 40 miles from site.

Other Contracts

Dundee and Angus Residual Waste Contract

This joint contract with Angus Council is to support the processing of residual waste in Dundee and Angus. MEB have been appointed as the successful contractor to run the Baldovie Incinerator, while they construct a new energy from waste plant on the site, thereafter manage the demolition of the existing site and run the new site for the remainder of their contract period of 25 years. The contract began at the beginning of the year and has community benefits in the construction and service elements of the contract. The targets for this project are as follows

Construction Phase (referred to as Works Phase)

- Local Spend Monitoring within 35 miles of site
- Supplier Development - 1 Meet the Buyer Event – this element has been delivered with a highly successful Meet the Buyer held in January 2018 with more than 150 business attending.
- Local Labouring Monitoring within 35 miles
- **5** New Start Employment Opportunities
- **6** New Apprentices and 4 Existing Apprentices. The contractor has agreed to the provision of an employer recruitment incentive for apprentice opportunities to encourage disadvantaged young people to access opportunities.
- **12** School Work Experience Placement's (6 per authority)

- **18** Post School Placement's (employability, college and university)
- **12** Awareness Raising visits or activities
- **£5,000 Challenge Fund** for school projects during the works phased, which will be coordinated by Developing Scotland's Young Workforce team.

Service Period (start after new site is build and last for 25 years)

- **25** Supplier Development Events (1 per year)
- **1,200** Hours of Business Mentoring (48 per year)
- Local Labour Monitoring
- **4** New Starts Employment Opportunities
- **4** New Apprentices
- **50** School Work Placements (2 per year, 1 in each authority)
- **25** Post school placements (1 per year)
- **50** Awareness Raising Outcomes (2 per year)
- **250** Environmental Awareness Events (10 per year)

New and Forthcoming Projects include

Regional Performance Sports Centre (and Energy Centre)

Balfour Beatty have been appointed under the SCAPE Civil Engineering project to undertake this development. The project is due to begin in summer 2018. Targets for this project have been drawn from the CITB client based approach Retail, Sports, Leisure and Entertainment benchmarks. Targets for this project are:-

- **1** Supplier Development Event
- **9** Employment Opportunities created (SCAPE)
- **3** New Start Employment Opportunities
- **5** Project Initiated Apprenticeships
- **2** Existing Apprenticeships
- **9** Work placement Opportunities
- **5** Awareness Raising Outcomes
- **110** Individuals to undertake school and college visits (SCAPE)

Menziesshill Community Centre

This contract will be delivered by Robertson Construction under the SCAPE framework and is due to commence in summer 2018. Targets for this project are:-

- **2** New Start Employment Opportunities
- **2** Project Initiated Apprenticeships
- **2** Work placement Opportunities
- **2** Awareness Raising Events
- **401** Awareness Raising – Individuals on Site (SCAPE)
- **267** Awareness Raising – Individual supported on off-site activity (SCAPE)

Partners Contracts

Pharmaceutical Specialist Services, contract delivered by Robertson Construction

This contract began in January 2017 for NHS Tayside and is delivered under the Hubco Framework. This is a highly specialised contract, with a complex Mechanical and Electrical component. As part of a partnership agreement with NHS Tayside, DCC Community Benefits Officer monitors this contract. Note this project is not reported with the other Capital Community Benefit programmes

- **Local Contractor Information** – Contractors are asked to report on the percentage of spend allocated to local subcontractors and suppliers within a 35 mile radius on monthly basis. Since the beginning of the project in January 2017 until the end of March 2018 £8,461,673, or 57% of the contract value has been spent with local subcontractors and suppliers. Local contractors on site have included WBS Keillor and McKenna Electrical.
- **Local Labour**- In March 2018 92% of the labour on site was local (within 35 miles) and from January 2017 to the end of March 2018 an average of 71% of labour on site was local.
- **Employment Opportunities** 8 Employment Opportunities have been created on site and of those 4 are defined as 'new start' employment opportunities. New Start employment opportunities are those who have been filled with candidates who was previously unemployed candidates, a new start from a training programmes or those experiencing redundancy.
- **Apprentice Opportunities** – 4 apprentice opportunities has been created on site and 9 existing apprentices have been provided opportunities.
- **Work Experience** – 6 work experience placements have been delivered for post school work placements. Placements have held for employability candidates with Advance and engineering for a Dundee and Angus College student. The specialist nature of the programme means it doesn't have targets for school aged young people.
- **Awareness Raising** 5 Community Benefit awareness raising activities have been delivered supporting 72 individuals, these have included visits from Dundee and Angus College Civil Engineering students and visits to Teddy Bear Nursery.
- **Other Community Benefits** - In addition to NHS Tayside requirements Robertson's have some additional workforce development targets as part of their HUBCO reporting. Targets for these completed to date include 6 staff from subcontractors completed NVQ, 25 staff completed Leadership and Management Training and 9 staff completed Advanced Health and Safety Training for Subcontractors.

Appendix 3 Future Regulated Procurements

Contract Description
Civil Engineering Framework - Projects up to a value of £1m
Homecare Services for Older People and Other Adults
Employability Pipeline Services
Provision of Occupational Health Services
Service and Maintenance of Lifts and Hoists
Supply of Golf Course Maintenance
Supply of Active Schools Service
Third Party Admin Services for Local Government Pension Scheme
Service and Maintenance of Heating and Ventilation Control Systems
Tender for the Supply of School Bus Services and Season Tickets
Recyclable and Residual Waste, relating to treatment of Co-Mingled Dry Recyclable Waste
Service and Maintenance of Air Handling and Air Conditioning Units
Rental of Fitness Equipment
Provision of Services of External Alternative Education Provision, related to the Needs of Students with Social Emotional and Behavioural Difficulties, whose Circumstances and Needs are Formally Assessed as Requiring Educational Provision outwith the Mainstream School
Supply of the Water Quality Inspection Programme
Service & Cleaning of Boilers, CHP Units, Burners and Flues
Service and Maintenance of Chilled and Hot Water Drinking Appliances
Supply of Water Quality Inspection
Communication Systems Maintenance Support
Supply of services and maintenance of sprinkler protection
Supply of Merchant Services
The Provision of Outward Bound Courses
Service and Maintenance of Kitchen/Catering Equipment
Site Investigation and Contaminated Land
Supply of Service and Maintenance of Automatic Doors
Heat Supply and Maintenance to the Biomass System at the Crescent Dundee
Prince's Trust 'Fairbridge 'Programme
Third Party Administration Services (Lot 2 – Pension Administration Support Services) in support of the Local Government Pension Scheme
Service and Maintenance of Kitchen Canopies, Ductwork, Extract Ventilation and Insectocutors
Service and Maintenance of Multi-Storey Tank and Pump Systems
Provision of Languages Policy for Scotland (Languages 1 +2)
Service and Maintenance of Roller Shutter Doors
The Hire, Transport, Erection and Taking Down, Anodised Aluminium or Steel Clear Span Frame Tents for Dundee Flower and Food Festival
Contract for the Supply of Fort System Rental
Remedial Works to Headstones over 1.5m Tall
Air Conditioning
Alarm Systems
Automatic Doors

Blacksmith Work
Blinds & Window Film
Ceramic Tiling
Civil, Builder Work & Concrete Repairs
Cleaning & Window Cleaning
Closed Circuit Television Services
Compressed Air
Core Cutting and Drilling
Curtain Walling
Data and Telecommunications
Demolition
Disabled Persons Toilet Alarm
Door Entry Systems and Access Ironmongery
Drain Cleaning and Surveys
Electrical - Commissioning
Electrical - Panic Alarms
Electrical Work/Equipment
External Play Surfaces
Fencing
Fire Alarms
Fire Extinguishers
Fitments and Furniture
Flat Roofing
Floor & Hardwood Floor Coverings & Floor Screeds
Garage Equipment (Ramps etc)
Glazier
Hard Landscaping
Hoist Equipment
Insulation
Intruder Alarms
Intumescent Coatings
Joinery Services
Kitchen Equipment
Lightning Protection
Mastic Sealant
Mechanical Work
Mechanical Work - Building Management Systems
Mechanical Work - Sterilisation and Chlorination
Medical Gases
Metal Cladding Work
Metal Stud Partition Work
Metalwork
Mobile Platforms
Painting and Ames Taping Work
Painting Work (Various)
Passenger Lift Installation and Maintenance
Plumbing Work
Portable Appliance Testing
Render and Plaster Work
Road Linings
Road Surfacing Work
Roller Doors and Shutters
Rooflights

Rot Treatment (Dry and Wet)
Scaffolding
Sensory Equipment
Signage
Slate and Roof Tile Work
Soft Landscaping
Specialist Roof Works (Lead, Copper, Zinc etc)
Stonework Including Stone Cleaning
Structural Steelworks
Suspended Ceilings
Toilet Cubicles, Laminated Bathrooms
TV & Satellite
Ventilation
Wall Protection
Water Chlorination
Window and Door Installations
Window Film
Collaborative Contracts due for renewal either via Scottish Procurement/Scotland Excel/ Tayside Procurement Consortium
Fixed Telephony
Network Enablement Services
Interim Management & Agency Staff
Asbestos Removal
Audio Visual Equipment
Butcher Meat & Fish
Care homes - adults with learning disabilities
First Aid Materials
Grounds Maintenance Equipment
Janitorial Products (prev. Hygiene)
Road Maintenance Materials
Security Services (security guards)
Power tools)
Recyclable & Refuse Containers
Recyclable & Residual Waste
Salt
Signage
Social Care Interim Management & Agency Staff
Street Lighting Materials
Washroom Solutions
Fruit & Veg
Funeral Services
Street Furniture
Confidential Shredding
Bus Shelter Cleaning
CCTV - public spaces
Fitness Equipment
Flooring Materials
Maintenance of Audio Visual Equipment
Modern Languages Interactive Platform

Scrap - income
Maintenance of Education Equipment (Lab kit etc)
Web Security
Wireless Maintenance
Wood Recycling
Real Time Info System
Maintenance of Theatre Equipment (lighting etc)
Disposal of Assets (concession contract)
Children's Services (scope TBA)

Appendix 4



Dundee City Council Corporate Procurement Strategy

2018-2020

Contents

Introduction/Executive Summary	3
Procurement Vision and Mission Statement	6
Strategy Rationale/Context	7
Strategic Aims, Objectives and Key Priorities	8
Council Objectives	8
How Procurement Will Support Council Objectives	9
Procurement Objectives	11
Legal Compliance and Governance	12
Savings and Added Value	12
Leaner, More Efficient and Effective Procurement Function	13
Deliver Sustainable Procurement Across the Council	13
Spend/Finance	15
Monitoring, Reviewing and Reporting on Strategies	17
Strategy Ownership and Contact Details	18
Policies, Tools and Procedures	19
Appendix 1 – Community Benefits Policy	20
Appendix 2 – Mandatory Requirements of the Act and Statutory Guidance Obligations - ...	30
Appendix 3 – Glossary of Terms	33

Introduction/Executive Summary

The Dundee City Council Corporate Procurement Strategy 2018 – 2020 is aimed at promoting effective procurement across the Council and details the strategic aims, objectives and key priorities for the coming years. It creates a balance between setting out a detailed plan for improving procurement, with specific targets and a flexible planning framework. There is a need to be flexible in order to be able to respond to the rapidly changing environment around public sector procurement and to learn from our own experience and the experiences of others.

The strategy reflects both national and local policies and priorities, focussing on the Council's approach to embedding a more corporate, consistent and commercially focussed approach to all procurement and commissioning activities. This approach includes Sustainable Procurement, Corporate Social Responsibility, supplier engagement and development with Small and Medium-sized Enterprises (SMEs), Supported Businesses and Third Sector organisations. In recognising the current budget constraints and continued demand for goods, services and works, Procurement will play a key role in supporting the Council Plan for 2017 to 2022 and will work to facilitate support of the plans objectives.

The EU Procurement Directives aim to ensure that public purchases are made in a transparent and fair manner. The Procurement Reform (Scotland) Act 2014 provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice.

These important changes to the rules on public procurement in Scotland resulted from:

- Procurement Reform (Scotland) Act 2014
- EU Procurement Directive on public procurement
- EU Procurement Directive on the award of concession contracts
- EU Procurement Directive for electronic invoicing in public procurement

Together, the Act and the Directives will provide the statutory foundations for the Scottish Model of Procurement, simplifying, standardising and streamlining procedures for both businesses and public bodies. It will place sustainable and socially responsible purchasing at the heart of the process.

Scottish Procurement



Scottish Model of Procurement



The key objective for Corporate Procurement is to demonstrate continuous improvement, service excellence and build on the foundations that have been put in place since creation of the Corporate Procurement team in 2014. This approach will be underpinned with the principles of public procurement - transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability.

The past 4 years have established a corporate approach to procurement but in order for this continuing change to realise further benefits, enhancements still need to be made to existing ways of working, demand management and the further development of more strategic working between procurement and services. This, coupled with rigorous challenge of all our purchasing decisions, continuing to work more cohesively and collaboratively with our internal clients and external stakeholders to identify better ways of working, will allow us to generate process efficiencies and real cash savings.

This strategy aims to build on the procurement approach already in place, with a view to:

- Having clear, achievable and time bound objectives in support of the council's wider plan
- Ensuring we comply with our statutory procurement duties
- Delivering and demonstrating value for money, supported by cash and efficiency savings
- Utilising new technology and digital opportunities to improve our procurement methods.

- Continuing to promote sustainability, fair work practices and the importance of equality and equal treatment through procurement, in full support of our Sustainable Procurement Duty
- Ongoing commitment to continue to improve access to public sector contracts, particularly for Small and Medium-sized Sized Enterprises, Supported Businesses, Social Enterprises, and the Third Sector.
- Working with client services to support the council's sustainable procurement performance
- Continued use of community benefits requirements and ensuring that community benefit outcomes have been achieved.
- Making sure we continue to adopt a partnership approach between internal and external customers and partners
- Encouraging and sharing the benefits of earlier engagement of procurement in any sourcing requirements
- Development of staff skills within the council to further enhance outcomes from commissioning and procurement activity.

The overarching purpose of the Strategy is to support the delivery of high quality public services that offer value for money, and in a sustainable way taking account of best practice and EU procurement legislation.

Procurement Vision and Mission Statement

Dundee Partnership's City Plan 2017-2026 sets out the shared vision for the City of Dundee:

- Dundee will have a strong and sustainable city economy that will provide jobs for the people in Dundee, retain more graduates and make the city a magnet for new talent
- Dundee will offer real choice and opportunity in a city that has tackled the root causes of social and economic exclusion, creating a community which is healthy, safe, confident, educated and empowered
- Dundee will be a vibrant and attractive city with an excellent quality of life where people choose to live, learn, work and visit

The following procurement vision and mission statement has been established to support the City vision and to make sure the delivery of effective and efficient procurement

Procurement Vision

“To embed commercial excellence throughout the council, ensuring that our services always deliver Best Value. To be recognised as having leading commercial, procurement & commissioning practices and skills delivering outstanding outcomes. To have the people of Dundee City and service users at the heart of what we do”

Mission Statement

“To provide strong leadership in the procurement process through knowledge, teamwork and communication with the aim of improving efficiencies, delivering cost savings and ensuring transparency and fairness, with sustainable economic growth for the supplier community”

Strategy Rationale/Context

Procurement is the process of acquiring supplies, services and works. It includes acquisition from third parties and in-house providers. The process spans the full procurement cycle from identifying the need, through to the end of a contract or the end of useful life of an asset and lessons learned. It involves early stakeholder engagement, assessing impact on relationships and linkages with services internally and externally, options appraisals and the critical 'make or buy' decision whilst determining the appropriate procurement strategy and route to market. Procurement is therefore much wider than simply purchasing, and through the effective implementation of our procurement strategy we will be able to demonstrate the added value that procurement can bring.

Public Sector procurement in Scotland is now valued at more than £10 billion per annum, with Dundee City Council spending £277m on goods, works and services in the financial year 2017/18.

The procurement activity that buys in goods, works and services is critical to ensuring that best value is being obtained.

- Public procurement is about improving the delivery and cost effectiveness of quality public services to citizens
- Procurement can be a mechanism to challenge current service arrangements and find new models for service delivery
- Savings realised through better procurement can be channelled back into priority services
- Procurement can achieve additional added value benefits to residents through effective use of supply chains
- Ensures that we deliver best value
- Our professionalism and planning can help prevent financial loss to the Council and support our services and reputation

Strategic Aims, Objectives and Key Priorities

Council Objectives

The Council Plan 2017-2022 sets out how the Council will play its part in the achieving the vision set out in the City Plan. Over this period, the Council will build on the strong partnerships that already exist across the public, private, education and third sectors.

The Council's top priorities are directly supported by the council services. Corporate Procurement provides a centralised procurement service to our clients by making sure their requirements for goods, services and works are procured in the most effective and efficient way to maximise the achievement of best value.

- **Social Challenges**
 - Tackling poverty through the Fairness Action Plan
 - Giving children the best start in life with integrated Children and Family Services and enhanced early years provision
 - Ensuring children are safe and protected at home, school and in the community
 - Closing the attainment gap for children from poorer areas and those who are looked after
 - Provide housing which is affordable and efficient to heat
- **Economic Challenges**
 - Implementing the Tay Cities Deal, which can generate an additional £900 million per annum for the Scottish economy and create up to 15,000 jobs over the ten year life of the programme
 - Focusing our activities over the next 20 years around a number of key sectoral strengths; life sciences, healthcare, digital technology, tourism and hospitality and creative industries
 - Maximising the city's cultural led regeneration
 - Promoting inclusive growth that helps to tackle the deep-rooted inequalities
 - Tackling long term unemployment, helping our young people to engage in positive activity and enabling those in entry level jobs to progress to better paid fair employment
- **Environment Sustainability Challenges**
 - Delivering significant reduction in CO2 emissions
 - Reducing Fuel Poverty
 - Improving Air Quality
 - Preparing a new Urban Biodiversity Plan
 - Increasing the percentage of waste recycled
 - Increasing the number of district heating schemes
 - Increasing Active Travel – walking and cycling to work, school and for leisure
 - Increasing ultra low emission and electric vehicles
 - Improving public transport through innovative approaches to sharing and smart travel
 - Including planning guidance to require all new buildings to incorporate measures to reduce the level of carbon emissions; support renewable energy generation; and encourage the use of heat networks in new developments.
 - Publishing a sustainable energy and climate change plan

- **Community Safety Challenges**
 - Reduced levels of crime and fear of crime
 - Reduced levels of domestic abuse
 - Protection of vulnerable adults
 - Reduced levels of re-offending
 - Reduced levels of antisocial behaviour
 - Improved road safety
- **Health and Wellbeing Challenges**
 - Integrating Health and Social Care to deliver more care in the community
 - Developing smart health and care strategies to benefit from advances in health technology
 - Improving health and well-being of all citizens – especially for children and families
 - Reducing substance abuse
- **Organisational Challenges**
 - Make the best use of the financial resources available to us, ensuring best value for the public purse
 - Have a flexible, skilled and motivated workforce
 - Listen to, and be responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed
 - Work closely with our partners, including local communities, to deliver a single set of outcomes for all citizens of Dundee

How Procurement Will Support Council Objectives

The council has set an ambitious roadmap within its new Council Plan 2017 to 2022. The plan focuses on building on the strong partnerships that already exist across the public, private, education and third sectors. It is those partnerships which have already seen Dundee become a magnet for investment, grow a lively cultural scene and develop an eye-catching built and natural environment.

The Plan sets out to tackle the root causes of social exclusion to ensure no one is left behind in the development of the new city economy. Our Fairness Action Plan, Employability Partnership and measures to close the attainment gap are top priorities.

Dundee is a place where people take pride in their city. However we need to recycle more. So the plan sets an ambitious target of growing the rate of recycling from 33% to 60%.

A range of measures to deal with health inequalities are set out in the plan. This includes encouraging physical activity such as seeking to double the number of people who commute to work on bike or foot by 2027; encouraging schools to participate in the Dundee Mile challenge and walk a mile a day and improving air quality through innovation in transport.

As a Council, the aim is always to provide best value and we are committed to continuing to change for the future. Part of our planning for the future will include monitoring developments in relation to the UK's withdrawal from the European Union and doing all we can as a city to mitigate the impacts and take advantage of any opportunities that arise.

The seven priority areas within the Council Plan will be supported by Corporate Procurement who will assist in delivering the desired outcomes:

Social Challenges

- Promoting fair work practices and the Scottish living wage in our procurement processes
- Work in support of the Fairness Action Plan to support areas and people who are impacted by poverty via the use of community benefit clauses within our procurements.
- Provision and ongoing development of procurement routes in support of the Scottish Welfare Fund
- Offer opportunities for procurement modern apprentices and graduate trainees.
- Utilise Community Benefit clauses within procurement activity to provide work experience, mentoring and other learning opportunities.
- Support of Partnership Action for Continued Employment (PACE) to align vacancies with contracted suppliers
- Shared Apprentice Scheme with Angus Council to collaboratively share apprentices and placement opportunities

Economic Challenges

- Continue to drive our social and economic sustainability principles into our procurement in a relevant and proportionate manner with a particular focus on embedding community benefit clauses within all our contracts, where appropriate.
- Maximise opportunities relating to targeted recruitment, supplier capacity building and sub-contracting opportunities for SMEs, Social Enterprises, Supported Businesses and Third Sector organisations.
- Embed sustainable and socially responsible purchasing as the way we do business, reflecting the Scottish Model of Procurement - Price, Quality and Sustainability.
- Encourage participation in tendering opportunities by including lotting, to open up opportunities for SMEs.
- Support the Supplier Development Programme (SDP) to assist locally based SMEs and Third Sector organisations in bidding for tender opportunities.
- Provide service excellence across our Purchase to Pay process ensuring on time supplier payments of no later than 30 days from receipt of invoice
- Support partner organisations by providing a procurement service

Environment Sustainability Challenges

- Continue to utilise the Scottish Government sustainability tools to identify sustainable risks and opportunities relevant to our spend profile including reducing carbon emissions and greenhouse gases, maximising recycling and reuse and the avoidance of hazardous materials.
- Increase the council's sustainable performance by continuing to deliver the sustainable procurement action plan as derived from the Scottish Government's Flexible Framework.
- Participate in the Sustainable Dundee Working Group to support the council's overall sustainability ambitions for the City.

- Encourage membership of ECO Stars Fleet Recognition Scheme for any contractor or supplier vehicles entering the city as part of our procurements
- Support the procurement process for Electric Vehicles and associated infrastructure

Community Safety Challenges

- Work with Community Safety and Protection and other key stakeholders to identify and target community initiatives that can be supported by procurement activities.
- Continue to work with Discovery Opportunities team to identify individuals who can be supported by targeted training opportunities provided by the council's contracted suppliers.

Health and Wellbeing Challenges

- Commissioning services in the support of Person Centred Care and Support
- Contract development which aligns to Models of Support/Pathways of Care and how services and support are delivered
- Support of effective management of resources

Organisational Challenges

- Provide a procurement service that ensures best value for all contracts it delivers
- Have a flexible, skilled and professional procurement team
- Focus on, and listen to the voice of the customer, both internal and external customers when preparing any procurement exercise
- Consider all options for service delivery by providing options appraisals on procurement approaches, when appropriate

Procurement Objectives

Corporate Procurement, through centralisation activity has continued the change from a reactive, tactical procurement approach across the Council to a more strategically planned and proactive focus, as a result of this the priorities for Corporate Procurement have been:

- embedding a more corporate, consistent and commercially focussed approach to all procurement and commissioning activities;
- improving the systems, skillset and knowledge base to support this approach;
- embedding sustainable procurement as 'business as usual', and securing maximum social value from the council's significant spend.

Legal Compliance and Governance

Corporate Procurement require to ensure that all procurement staff and council officers are fully aware of all legal guidance and required outcomes of procurement legislation. Legislative change is ongoing and the need to be trained and knowledgeable of the likely impacts of these changes is a requirement that needs to be constantly achieved.

During the life of this Strategy, Corporate Procurement will continue with training and guidance of all council officers involved in the procurement process. Support will be sought from the Legal Team where complex procurements are being undertaken that may require additional legal advice. All of this will be supported via clearly documented processes which have been developed on conjunction with internal client services to ensure 'buy-in' to agreed processes.

By following this approach the outcome will be to have Procurement staff who are confident in their understanding of procurement regulations and other relevant regulations, along with being able to know where to seek additional advice if required. This approach will ensure the mitigation of the opportunities for procurement challenge and that Procurement activity will comply with all relevant statutory and regulatory requirements. All procurements will be undertaken in compliance with our duty to act in a proportionate and transparent manner, and to treat relevant operators equally and without discrimination.

Savings and Added Value

Corporate Procurement as a service will support the council in achieving budget savings targets. This will require continued close working with client services to understand demand both in terms of specifications and volume of purchases. Steps will be required to identify opportunities to have cost efficient, qualitative outcomes supported by demand focussed process improvements.

Key to this will be further collaborative working with other public sector organisations along with continued targeted savings from all aspects of the end to end procurement process via tendering, contract management and payments processes.

Focus over the past two years has been to embed and improve demand management within the procurement process. Questioning the need has been a useful tool in engaging with services to understand their requirements and whether their service could approach servicing these requirements in a different way. This process does require a considered and supportive approach which the Corporate Procurement team has been adopting during this time.

By enhancing on the work already done, Corporate Procurement's aim will be to assist the council to meet budget savings targets. This approach aims to target a number of positive outcomes including changes in buying behaviour, identifying alternative delivery approaches along with the work already done in improved ordering and invoicing solutions

Leaner, More Efficient and Effective Procurement Function

Corporate Procurement, as a service to both internal and external customers, must ensure that this service is as efficient and as effective as possible with the resources available. The procurement process and service should be seen as one that facilitates a high level of service delivery.

Procurement processes need to be regarded as a means to achieve the desired outcome for clients in a guiding and supportive manner. By utilising a 'Lean approach' to all procurement activity there are opportunities to improve efficiency and reduce 'non-value add' activity or waste within the process of acquiring goods, works or services.

Procurement systems and their further development will further enhance the information available when conducting any procurement exercise. This can be utilised to provide enhance information gathering at both the requirements gathering and contract management phases.

The use of process diagrams has facilitated end to end process review with client services and has assisted to clearly showing where in the full procurement process Corporate Procurement will provide and support as required. This has, and will continue to enable clear documentation and a consistent approach across the procurement team and their client services.

By using available tools and systems to influence continuous improvement will allow more time to be spent on the more strategic aspects of the procurement service, allowing for much deeper information gathering, which will assist in the formation of strategies, market research and contract & supplier management.

Deliver Sustainable Procurement Across the Council

Dundee City Council requires to comply with the Procurement Reform (Scotland) Act 2014 and general and other duties contained therein, including the Sustainable Procurement Duty. In support of these duties, there is a need to increase the knowledge and understanding of the benefits of sustainable procurement for all council staff who participate in the procurement process and to make better use of the expertise within the council to ensure wider sustainable outcomes are achieved. This approach should be a conduit to secure wider social, economic and environmental benefits for the local area and ensure that those benefits are realised, including the consideration of the procurement of fairly and ethically traded goods and services.

Corporate Procurement will facilitate, in conjunction with other council officers the provision of training and awareness sessions for internal clients on sustainable procurement with an emphasis on the application of circular economy, whole life costing, life cycle impact mapping and the early involvement of SMEs, Social Enterprises, Supported Businesses and Third Sector organisations.

Dundee City Council's Community Benefits Policy is being updated to further optimise the community benefits process. This is encouraging the close working already in place with relevant internal and external stakeholders, and placing a greater emphasis on ensuring outcomes are delivered and benefits for our citizens are realised.

Dundee City Council, through its Community Benefits policy is committed to securing maximum social and economic benefits from its procured activity. The Community Benefit Policy Seeks to:

- Support the delivery of council priorities
- Consider the inclusion of community benefits in all relevant procurement activities, but prioritise resources at those with most likelihood of delivering an impact
- Expand types of Community Benefit outcomes based on lessons learnt from previous activity
- Develop common approach with partner councils and continue to support public sector partners with their Community Benefit activity
- Support the development of the partnership infrastructure which supports contractors to achieve their outcomes
- Invest in the development of a monitoring system to record Community Benefit activity more efficiently and better target resources.

Closer engagement between Social Work Contracts Team and Corporate Procurement in processes and documentation relating to sustainability where appropriate.

Continue to include Fair Work criteria as part of our mandatory elements with tender documents

Review, with our internal clients, how our procurement processes and documentation could be enhanced to identify how local SMEs, Social Enterprises, Supported Businesses and Third Sector organisations can gain opportunities to win council contracts. This would include positively encouraging the use of Supported Business within the Council and our Tayside Public Sector partners.

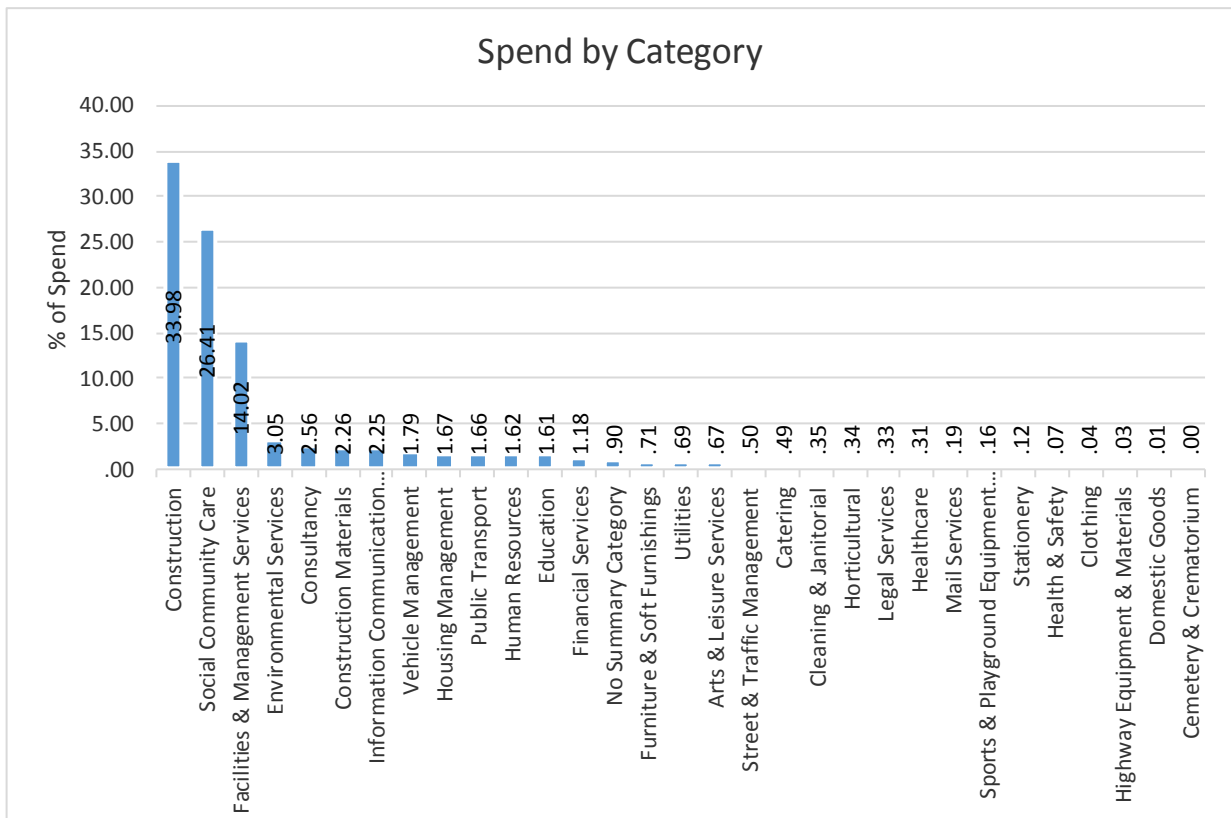
The procurement of food, where relevant, will consider the health, wellbeing and nutritional requirements for food and the welfare of animals will be taken into account.

The outcome of these steps should ensure compliance with the Sustainable Procurement Duty as staff involved in the procurement process understand and positively contribute to achieving sustainable outcomes. This will, in turn, promote an increase in opportunities for local SMEs, Social Enterprises, Supported Businesses and Third Sector organisations, with secured and realised sustainable benefits. The approach will also provide assurance to the council that suppliers adhere to the principles of a Fair Work Practice organisation.

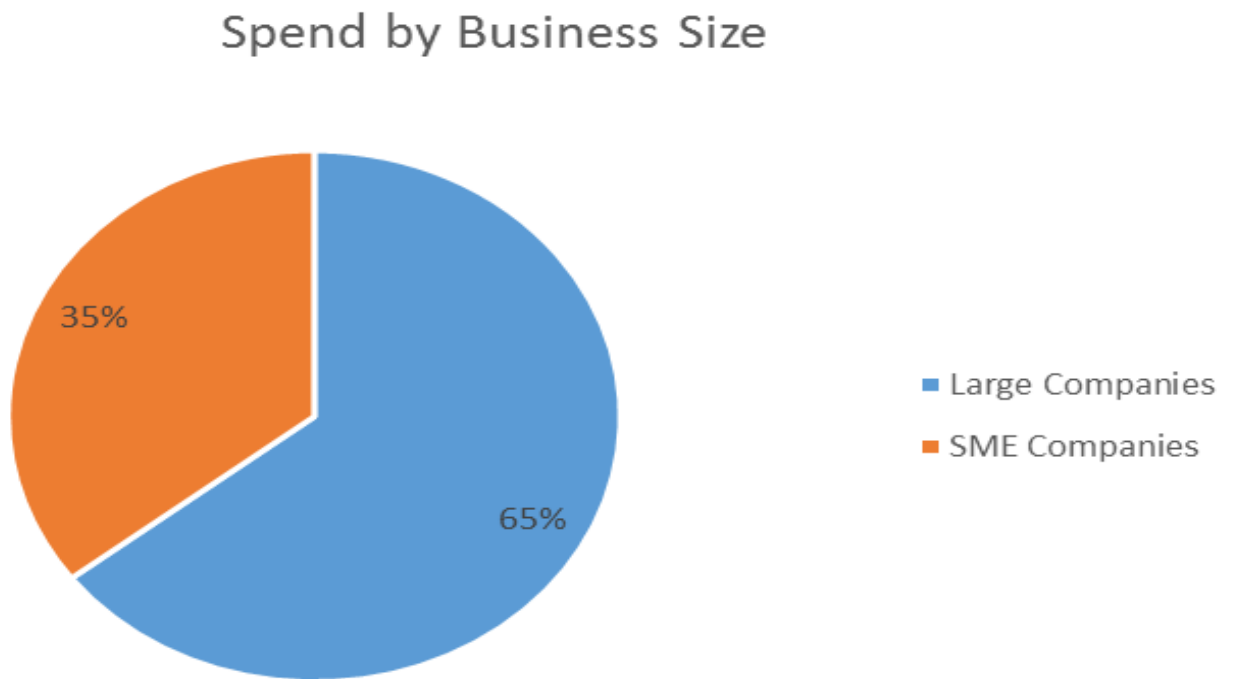
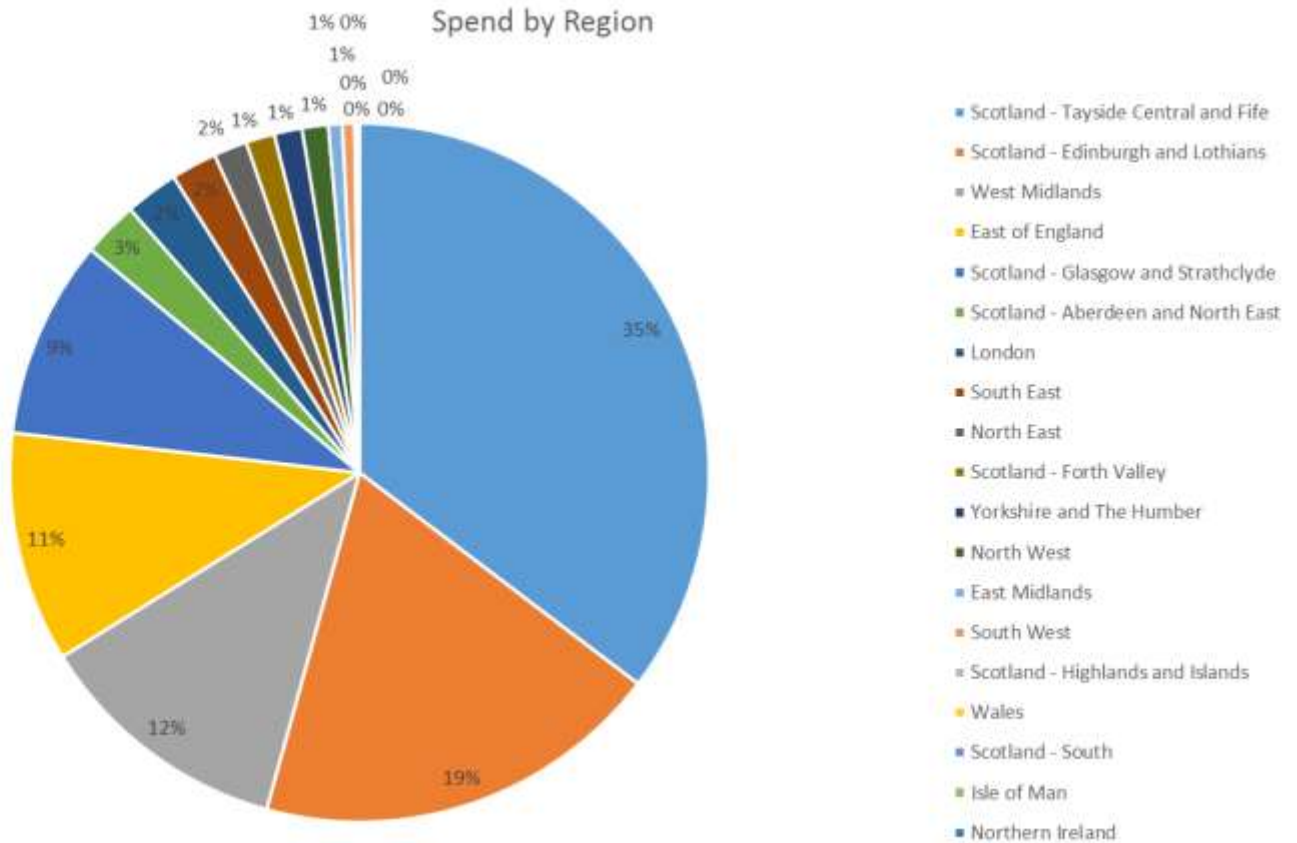
Spend/Finance

The council purchases a variety of goods, services and works ranging from stationery to major capital works. Expenditure is in the region of £270m per annum across all council purchases.

This graph details spend that is made by category area:



The council works to ensure opportunities are created which support tendering by local companies, with a particular focus on small and medium sized enterprises. The graphs below provide a breakdown of spend by region and spend by supplier size



Monitoring, Reviewing and Reporting on Strategies

The strategy objectives will be monitored via an action plan.

The performance of this plan will be monitored on a monthly basis by the Corporate Procurement Manager and statutory reporting updates provided via the Council's Pentana database. Quarterly updates will be provided to the Head of Corporate Finance and Executive Director of Corporate Services. An annual report on progress will be provided to Council.

Procurement processes will be subject to review by Internal Audit.

In support of all of the above, Corporate Procurement will continue to use existing Key Performance Indicators to manage, track and measure continuous improvement.

The Corporate Procurement Strategy will be reviewed on a quarterly basis to ensure continued alignment with the council's objectives and priorities.

As part of the new Procurement regulations the council is required by Scottish Government to produce an Annual Procurement Report that records the performance against this strategy.

The report will include the following:

- Regulated procurements completed in the relevant period
- Details of procurement undertaken in accordance with the strategy
- How the procurements undertaken have achieved the policies set out in the strategy and contributed to the wider aims and objectives of the council
- Details of policies not met in relevant period and how these will be achieved in the future
- Planned procurement over the next two years

Strategy Ownership and Contact Details

Name	Role	Contact details
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Karen Lawson	Corporate Procurement Manager	karen.lawson@dundeecity.gov.uk

Policies, Tools and Procedures

The following are considered in relation to all procurement activity within the Council:

- Statutory Guidance under the Procurement Reform (Scotland) Act 2014
- Scottish Model of Procurement
- Public Procurement Reform Programme
- EU Procurement Thresholds
- Procurement Journey
- Council Standing Orders and Tender Procedures
- Health & Safety Policies
- Community Benefits Policy
- Council Plan
- Sustainable Procurement Approach

Appendix 1 – Community Benefits Policy



Dundee City Council – Community Benefits Policy

June 2018

Table of Contents

- 1. Introduction**
- 2. What are Community Benefits?**
- 3. Aims of Community Benefits Policy**
- 4. Policy Context for Community Benefits**
- 5. When to use Community Benefits**
- 6. Community Benefits in Dundee**
 - **Supplier Development**
 - **Employment and Skills**
 - **Community Development and Awareness Raising**
- 7. Support Offered to Contractors**
- 8. Nature of Community Benefits in Dundee**
- 9. Responsibility and Ownership**
- 10. Monitoring and Reporting**
- 11. Further Information**

1. Introduction

- 1.1 Dundee City Council is committed to securing maximum economic and social benefits from City Council Procurement within legal frameworks and has had a Community Benefits Policy which has been mandating Community Benefits activity into council contracts since September 2012. This updated Community Benefits Policy provides the opportunity to update and refresh the Council Community Benefit approach in light of policy and legal changes, local priorities and developments and innovation within the programme.
- 1.2 Community benefit requirements in procurement, form part of the Scottish Government's aim of delivering procurement that improves public services for a prosperous, fairer and more sustainable Scotland. Public procurement contracts can help realise a wide range of social and environmental benefits, including more and better employment opportunities. Community benefits have been shown to contribute to local and national outcomes relating to employability, skills and the reduction of inequality.

2 What are Community Benefits?

- 2.1 Community Benefits are defined in the Procurement Reform Act as follows 'a community benefit requirement is a contractual requirement imposed by a contracting authority relating to:-
- i. training and recruitment, or
 - ii. the availability of subcontractor opportunities, or
 - iii. requirements which is otherwise intended to improve the economic, social or environmental wellbeing of the authorities area in a way which is additional to the main purpose of the contract which the requirement is included.

Community Benefit clauses are additional requirements which deliver wider benefits in addition to the core purpose of the contract. These clauses take the form of a menu of different requirements which can be added to contracts to provide economic, social or environmental benefits.

- 2.2 Community Benefits clauses are well established within Scottish Procurement. Dundee City Council began using the clauses in 2010 and in September 2012 Dundee City Council approved a Community Benefits from Procurement Policy which introduces a Council wide approach intended to secure the maximum economic and social benefits from City Council Procurement within the current legal framework. The policy focuses on the development of Community Benefits in the areas of

- **Supplier Development** including Small to Medium Enterprise and social enterprises development activities and developing guidance to encourage local suppliers to compete for Council contracts.
- **Employment and Skills Activity** including activities to secure new employment opportunities including Modern Apprenticeships, share vacancies and secure work experience opportunities
- **Community and Awareness Raising Activity** including development of awareness raising activity, community programmes and donation of materials

While the Community Benefits have been included in goods and service contracts for some time, the majority of activity remains in Capital Work contracts. The new revised approach intends to continue to imbed Community Benefits into new contracting areas while recognising the considerable growth projected in construction contracts

3 **Aims of Community Benefit Policy**

3.1 Dundee City Council, through its Community Benefits policy is committed to securing maximum social and economic benefits from its procured activity. The Community Benefit Policy Seeks to:

- Support the delivery of council priorities
- Consider the inclusion of community benefits in all relevant procurement activities, but prioritise resources at those with most likelihood of delivering an impact
- Expand types of Community Benefit outcomes based on lessons learnt from previous activity
- Develop common approach with partner councils and continue to support public sector partners with their Community Benefit activity
- Support the development of the partnership infrastructure which supports contractors to achieve their outcomes
- Invest in the development of a monitoring system to record Community Benefit activity more efficiently and better target resources.

4 **Policy Context for Community Benefits**

4.1 These aims are aligned to and support recent changes in procurement legislation, regulations and statutory requirements and priorities at a national and local level.

In terms of the national context, the Scottish Government is clear that public sector organisations including local authorities should be using their procurement activity to leverage community benefits for the communities they serve. This is articulated in a range of key policy documents and legislation including the Local Government in Scotland Act 2003, Developing the Young Workforce, Procurement Reform Scotland Act 2014, the Sustainable Procurement Duty and Scottish Government Sustainable Procurement Action Plan. Community Benefit activity contributes to the following national priority outcomes:-

- Outcome 2: We realise our full economic potential with more and better employment opportunities for our people.
- Outcome 3: We are better educated, more skilled and more successful, renowned for our research and innovation.
- Outcome 4: Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- Outcome 7: We have tackled the significant inequalities in Scottish society.

4.2 Locally this Community Benefits Policy supports the Local Outcome Improvement Plans long term vision for Dundee to be framed around jobs, social inclusion and quality of life working toward a vision for Dundee which :-

- Will have a strong and sustainable city economy that will provide jobs for the people of Dundee, retain more graduates and make the city a magnet for new talent
- Will offer real choice and opportunity in a city that has tackled the root causes of social and economic inclusion, creating a community which is healthy, safe, confident, educated and empowered
- Will be a vibrant and attractive city with an excellent quality of life where people choose to live, learn, work and visit

4.3 This also links to the following strategic priorities for Dundee:-

- Fair Work and Enterprise

- Close the Jobs gap
 - Reduce unemployment
 - Raise productivity to Scottish average
- 4.4 Sustainable procurement and as part of this Community Benefits can contribute to inclusive growth. The Tay City deals ambition for the economic region has the potential to be one of the most productive, knowledge led economies in Europe, with a commitment to incorporate social outcomes alongside economic goals with a commitment to ensure that as we become smarter we also become fairer by creating equality of opportunity for all.
- 4.5 The Community Benefits programme is also in a position to contribute to addressing some of the inequalities and challenges which exist in Dundee including a youth employment rate of 19.5% NOMIS Jan –Dec 2016 – 16 – 24, a City which has twice the rate of Scottish male youth unemployment and an issue with long term unemployment with over 40% of JSA claimants in Dundee City claiming for over 2 years.
- 4.6 Sustainable procurement and Community Benefits contributed to the Dundee Fairness Action Plan 2016 through supporting its Work and Wages theme through expanding the Scottish Living Wage Commitment and Securing community benefits through the central Waterfront and other developments specifically contributing the following outcomes. To
- Promote the Living Wage in Central Waterfront locations and business
 - Maximise Community benefits delivered through Dundee City Council procurement (including the Living Wage)
 - Maximise community benefits including Foundation and Modern Apprenticeship and work placements through new housing developments

5 When to use Community Benefits?

- 5.1 The Procurement Reform Scotland Act 2014 for the first time requires contracting authorities to consider, before carrying out procurement whether to impose community benefit requirements for all contracts over £4,000,000. Dundee City Council already operates consideration of Community Benefits significantly below this figure. To ensure maximum benefit to the City while ensuring that requirements are proportionate it is recommended that contracts are considered for:-

- Works Contracts > £250,000
- Goods and Services >£100,000

This will be used as a guide only, recognising that some contracts, even above these thresholds will not be appropriate but that contract managers should consider inclusion and record a justification if Community Benefit activity is not included. Guidance will be provided by the relevant Category Officer and Community Benefits Officer.

- 5.2 For Construction Contracts the employment and skills minimum targets are provided using bench marks based on the Client Based Approach developed by the Construction Industry Training Board (CITB) and endorsed by the Scottish Government. This provides a range of minimum targets based on the type and estimated value of the contracts. Contractors are given the opportunity to increase these targets during the tender process but when agreed these become a mandatory element of the contract. The Council currently uses the March 2014 version of the Client Based Approach as a guide, along with experience gained from other contracts when establishing minimum targets. It is recommended that this continue, as while updated benchmarks were produced in September 2016 they also included a change in the composition of the targets which removes among other things apprentices as a standalone

element, instead combining these with other employment types. This change does not reflect the council's priorities to support young people through apprenticeships.

- 5.3 For non-construction contracts targets will be agreed dependant on the value, duration and nature of the contract. Care will be taken to ensure that contract requirements remain proportionate to the value of the contract and relevant to the subject matter of the contract and the skills and talents of the contractor.
- 5.4 Increasingly major construction Contracts are being delivered through Frameworks, principally the HUBCO and SCAPE frameworks. These frameworks come with their own Community Benefit requirements which have to be delivered in addition to the councils own requirements. We work closely with Framework Contractors Robertson and Balfour Beatty to, where possible, amend our requirements to avoid duplication i.e. amending local spend and labour from 35 to 40 miles for SCAPE contracts. We retain the core DCC requirements into all contracts to allow us to compare contractor's performance across contracts and identify areas where more work is needed. Requirements under the SCAPE Construction Framework are particularly challenging and we require more negotiation in the future to ensure that our priorities continue to be delivered.
- 5.5 Another area which requires more development is to work more closely with our colleagues at Scotland Excel to ensure that Community Benefit requirements on Scotland Excel contracts are delivered locally. Scotland Excel's traditional approach to Community Benefits was to ask what had been delivered rather to set requirements for contractors. This is beginning to change with newer contracts and will allow us more opportunities to secure benefits from these contracts locally.

6 **Community Benefits Approach in Dundee**

- 6.1 The Community Benefit Approach in Dundee, provides a menu of options which support the areas of Supplier Development, Employment and Skills and Community and awareness raising activities. Outcomes are constantly amended and revised dependant on experience to ensure that we continue to secure maximum benefit for the contractor while ensuring that the requirements remain proportionate and relevant.

Community Benefits are delivered as part of a wider programme of Sustainable procurement, which considered the economic, social and environmental outcomes of contracts. There is recognition that the current model focuses on economic and social elements rather than environmental. Environmental outcomes will be built into the approach in response to the outcomes of the planned Sustainability assessment and use of the prioritisation tool.

- 6.2 **Supplier Development** activities include a range of measures which are designed to support Small to Medium Enterprises (SMEs), Social Enterprises, Supported Business and within legal limits, local business, to develop and grow their businesses and be in a position to compete for Council and other contracts. Specific measures to support suppliers in this contract include

- Continuing to promote the Quick Quote Function of Public Contract Scotland for lower value procurement activity under 50K and requiring that where possible a minimum of one of the quotes must be from a local contractor.
- Support the Procurement Reform Act policy of seeking opportunities to lot contracts into smaller contracts where possible to encourage engagement with SMEs
- **Local Business Monitoring**—a monitoring requirement within our contracts for main contractors to report on the percentage of spend which is allocated to local supplier and sub-contractors (within a 35 mile radius). This has been further developed in recent years through

the increasing use of SCAPE framework contracts which provide contractors targets for spend from 10, 20 and 40 miles of site and are mandatory.

- **Subcontractor Opportunity Access** – measure to require contractor to advertise non allocated subcontract opportunities in a way which allows local subcontractors to access them i.e. Local Meet the Buyer Events or use of Public Contracts Scotland.
- **Supplier Development activity** whereby the successful contractors are required to contribute to an agreed number of employer events, these can include Meet the Buyer events, Supplier Development programme sessions or mentoring opportunities for local business or social enterprises.
- **Local Social Enterprise and Supported Business Monitoring**– this measure requests that contractors report on the actual spend which is allocated to Social Enterprises and Supported Business. To support this a catalogue of relevant Social Enterprises organisations with the capacity to support construction companies has been developed in partnership with Dundee Social Enterprise Network.
- **Supported Business** – in addition to spend monitors for construction contractors Dundee City Council remains committed to seeking opportunities to enhance contracting opportunities for supported business, through direct contracting using the Scottish Governments Supported Business framework for departmental and Welfare Fund spend and through using our influencing role to encourage contractors and partners to also work with supported business.

6.3 **Employment and Skills** activity refers to the range of measures which are put in place to secure additional employment and training opportunities for local people. Specific measures used to support employment and skills in this contract are

- **Local Labour Monitoring**- The inclusion of monitoring requirement for contractors to report on the percentage of local labour employed on site (within a 35 mile radius)
- **New Starts** - The inclusion of targets for minimum numbers of new employment starts secured through the contract. New starts would be defined as someone who had been previously unemployed or a leaver from a recognised training programme - not someone coming directly from another job.
- **Apprentice Recruitment** - The inclusion of minimum starts for new apprentices and measure engagement of existing apprenticeships.
- **Shared Apprentice Scheme** – Dundee City Council are now a partner in the Shared Apprentice Scheme. In this model young people are directly employed by the scheme which pays wage costs while young people are at college. The young people are placed with placement employers the rest of the time who pay their wages plus a 20% admin fee. The scheme not only provides varied experience for the candidates but is intended to support very small employers to take on an apprentice by removing the risk of carrying them when employers have less work. The Community Benefits programme supports the scheme by providing access to a Core of larger employers who help carry the programme. Contractors count participation in work placement weeks. If a site provides a cumulative placement of 1 year or more this can be counted as one new apprenticeship and would count against their recruitment targets.
- **Vacancy Sharing** - The requirement to share the details of new recruitment requirements with Jobcentre Plus or other employability provider. In Dundee a Construction Skills Bank has been developed in partnership with Jobcentre Plus which matches unemployed people with construction experience with the opportunities created. In addition vacancies, particularly for entry level positions are shared with Councils Skills for Learning and Work Team who have an

ongoing programme of training clients for entry level Construction opportunities including provision of CSCS Cards.

- **Work Experience** - The inclusion of the requirement to provide a minimum number of school and other work experience placements provided to candidates on training programmes including Employability funded provision, Job Centre Work Experience, Skills for Learning and Work clients, College programmes and other programmes.

6.4 **Community Development and Awareness Raising** activities are those which seek to provide benefits to the wider community. Specific measures within this contract will include

- **Awareness Raising / Curriculum Support Activities** - the delivery or participation in a minimum stated number of curriculum support activities or awareness raising events which could include school activity, site visits, practical or employability training or community events.
- **Specialist Support** - The inclusion of the provision of a specialist support clause can be provided as an option in any contract, with the contractor given a percentage spend target to donate their time and services to participate in curriculum support activities or to donate time to a community group or social enterprise. For example a design or marketing company could be asked to provide marketing or design expertise to a social enterprise, community group or charity. The projects requiring assistance need to be specific and relevant to the contract. Work would also be required to identify appropriate projects or groups which would benefit from this type of support.
- **Donation of Materials** – in partnership with a local Social Enterprise contractors are asked to donate new or recycled materials in a reusable state for re-sale on a social enterprise basis. In addition the Community Benefits programme coordination of recyclable furniture and goods from vacant council or partner property. Directing goods to reuse rather than recycle and supporting an income stream for social enterprises.

7 **Support Offered to Contractors**

7.1 In Dundee one of the aims of the Community Benefits programme is to provide support to contractors to deliver their outcomes. In Home Care, Construction and the Residual Waste Contract Successful Contractor Guidance has been developed and is continuously updated to provide clear guidance for contractors on what is expected of them for each outcome, what evidence will be required and to provide links to local providers and support agencies which will support them to develop outcomes. For smaller contacts the Community Benefits Officer can provide advice and guidance for contractors on how to achieve and evidence their outcome. Additional requirements are not added into the programme until a way of supporting contractors is agreed.

8 **Nature of Community Benefits in Dundee**

8.1 Community Benefits in Dundee City Council form part of the contract and suppliers will have contractual obligations to deliver their commitments. Community Benefit requirements will be mandatory in nature and voluntary community benefits will only be recorded when the contractor offers something which is additional to their Community Benefit requirements. Contractual Community Benefits can be incorporated into contracts in the following ways:-

- **Mandatory and Evaluated** – Community Benefits can be included into the contractual obligations and evaluated as part of the tender process. Community Benefit weightings are recommended to be between 5% and 15% of the quality score dependant on the contract. For some smaller contracts the 5% may be shared with Fair Work Practice.
- **Contract Requirement** - Community Benefit requirements may be stipulated in the contract as a contractual requirement and therefore not assessed as part of the tender submission. The minimum requirement will be stipulated in the tender documents, with the Contract Officer or Community Benefits Officer agreeing with the successful contractor post award what they will deliver to fulfil this requirement.
- **Additional Community Benefits** – Additional Community Benefits which are offered by the supplier but will not be assessed as part of the tender assessment. Community Benefits offered and accepted by the Council will however form part of the contractor's contractual obligations to deliver.
- **Voluntary** – Voluntary Community Benefits will be recorded where they have been offered but had not been part of the contractors requirements. They will not form part of the evaluation, or indeed place a contractual responsibility onto the contractor, however if offered they will be accepted by the Council and Voluntary Community Benefits will be monitored and reported along with other Community Benefit activity.

9 Responsibility and Ownership

9.1 As Community Benefits are expanded to include more and more areas it is critical that representatives from across the council support its delivery. The Community Benefits Officer currently support the majority of activity with support from Category Officers and Contract Managers. It is recommended that with this new approach, while coordination continues to be undertaken by the Community Benefit Officer, responsibility for delivering the Community Benefits Policy will be shared across key stakeholders including:-

- Category Officers and Corporate Procurement Team
- Service Areas and Contract Managers
- Internal Support Partners including Skills for Learning and Work Team and Employability Teams
- External Support Partners including contracted providers, Jobcentre Plus, Skills Development Scotland and Dundee and Angus College

9.2 This Council wide approach to deliver Community Benefits will require greater involvement from Service Areas, requiring them to:-

- Support the Delivery of the Community Benefits Policy
- Engage with Commodity Owners and Strategic Leads to identify and agree Community Benefit Outcomes, with support as required from the Community Benefits Officer
- Support Community Benefits Evaluation as required
- Support on-going contract management

10 **Monitoring and Reporting**

10.1 The Community Benefits Officer will continue to support the programme and provide regular updates to the Corporate Procurement Manager. For Construction Contracts, successful suppliers are required to provide regular monitoring information outlining the Community Benefits delivery on their contracts. These are reviewed regularly by the Community Benefit Officer. Information recorded is shared with contract leads and regular reports are provided on request to project boards including, the V&A Project Board, Railway Station Project Board and Waterfront Project Board.

10.2 In addition community benefit updates will be provided to Policy and Resources Committee as part of the Annual Procurement report which forms part of the reporting requirements from the Procurement Reform Act.

10.3 One of the biggest challenges for the Community Benefits programme is tracking and monitoring contractors to ensure that commitments are delivered. In Construction there are 8 live major contracts with 4 more planned in the first quarter of next year including a housing development at Darby Street, the Regional Performance Sports Centre, Waterfront 6 and Waterfront Site 2. There are 8 home care contractors and 33 number of other contracts with Community Benefit requirements which are currently being supported. To address this challenge funding has been secured from the Scottish Procurement Alliance Community Benefit fund to invest in a monitoring and reporting system. The Community Benefits programme intends to invest in the Hanlon system in the coming months. The system has already been purchased to manage the redesign of the schools work experience programme and councils modern apprentices. In partnership with Angus Council, Hanlon will design a bespoke Community Benefits tracking tool to monitor the range of Community Benefit requirements. With greater integration between Tayside's procurement teams being considered, the adoption of a common assessment tool helps to future proof our approach. In addition to recording outcomes achieved more efficiently the provision of a new system will also allow an improvement in the quality of the information provided and allow us to complete sustainability checks at 6 months, although this information is usually available through monitoring it is not systematically asked or recorded.

11. **Further Information**

For further information please contact:-

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Appendix 2

Mandatory Requirements of the Procurement Reform Act (Scotland) 2014 and Statutory Guidance Obligations

The Act lays out some mandatory requirements which the procurement strategy must include. In particular:

How the organisation intends to make sure that its regulated procurements will:

- Contribute to the carrying out of its functions and the achievement of its purposes
 - Working under the guidance of this strategy will ensure procurement is delivered in a compliant, effective and efficient manner, provide a clear action plan for improvement and contribute to wider council objectives and priorities.
 - Ensuring there is early engagement and clear communication channels between the Council Services and Corporate Procurement we will assist in achieving best value.
 - The strategy will be monitored and reported as per the Monitoring, Reviewing and Reporting on the Strategy section of this strategy document, to make sure the key objectives are delivered and best value is secured.
- Deliver value for money
 - The successful delivery of this strategy.
 - The application of procurement best practice and undertaking key strategic procurement activities:
 - Early market engagement
 - By including appropriate lots to promote SME/Third Sector and Supported Business participation
 - Maximising the impact of contracts with the inclusion of Community Benefit Clauses
 - Evaluating on the most economic and advantageous criteria
 - Clear output specifications
 - Challenging the need and demand management
 - Continuous contract management
- Be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination and be undertaken in compliance with its duty to act in a transparent and proportionate manner
 - The council's Standing Orders and Tender Procedures apply to all contracts made by or on behalf of the Council for the execution of works, the supply of goods and materials and the provision of services.
 - All procurement activity undertaken must comply with the above process and procedures which secures compliance with the Act and Statutory Guidance.

- Comply with the sustainable procurement duty

In adherence with council policies and in light of the Procurement Reform (Scotland) Act 2014, the council has:

- Incorporated Sustainable Procurement objectives within the Corporate Procurement Strategy
- Will update Council Standard Orders and Tender Procedures to reflect the new procurement rules
- Revised and expanded our Community Benefits Policy to include all contracts, where appropriate
- Working to incorporate Scottish Government sustainable tools within procurement processes (for example, sustainable test, prioritisation tool, flexible framework)

- The use of Community Benefit Requirements

- The Council's Community Benefit Policy details approach

- Consulting and engaging with those affected by its procurements

- Engaging with internal and external stakeholders through various approaches, including but not limited to – working directly with client services, Meet the Buyer events, Social Enterprise Development Board, Supplier Development Programme

- Payment of a living wage - to persons involved in producing, providing or constructing the subject matter of regulated procurements

- A Fair Work practice criteria is included in all relevant procurement exercises

- Promoting compliance with health and safety at work, including how a supplier/sub-contractor demonstrates compliance

- Health and safety criterion forms part of the evaluation for all relevant and appropriate contracts. This element is a pass/fail criterion within the pre-selection stage.

- The provision of prompt payment – no later than 30 days after invoice by the organisation to a supplier and/or sub-contractor, or by a sub-contractor to a sub-contractor

- Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions.

- Food Procurement
- Procurement requirements relating to Food procurement focus on nutritional quality, health and wellbeing, minimising environmental impact such as packaging and sourcing as well as the application of appropriate animal welfare standards in accordance with all relevant legislation.

Appendix 3 – Glossary of Terms

Best Value

An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.

Collaboration

When two or more groups of people or organisations engage in procurement work together for mutual benefit.

Commodity

Taxonomy (classification) for the entire council, to give the council the ability to accurately describe the primary business activities of their suppliers

Community Benefits

Community benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social, economic and or environmental benefits.

Community Benefits Clauses

Community benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of council contracts.

Contract Management

Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

Demand Management

To take costs out of an organisation by addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption.

Flexible Framework Self-Assessment Tool

This tool will help organisations assess where their current level of performance lies and the actions required for improving their performance. The Scottish Government recommends that organisations carry out initial and periodic self-assessments against the FFSAT. This enables measurement against various aspects of sustainable procurement.

OJEU

Official Journal of the European Union. All tenders above £181,302 for goods and services and £4,551,413 for works must be advertised in this journal.

Public Contracts Scotland

The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.

Regulated Procurement

Contracts above the EU contract threshold values where the relevant EU regulations apply (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).

Small and Medium-sized Sized Enterprises (SMEs)

Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

Social Enterprises

A revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

Stakeholder

Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.

Supplier

An entity who supplies goods or services

Supported Business

An organisation whose main aim is the social and professional integration of disabled or disadvantaged persons.

Sustainable Procurement

A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

Third Sector

The part of an economy or society comprising non-governmental and non-profit-making organizations or associations

Whole Life Costing

The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.

Work Plan

List of upcoming procurement activity including re-tenders, extensions, and new activity.