



## Dundee City Council Corporate Procurement Strategy

2024-27

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## Introduction / Executive Summary

The Dundee City Council Corporate Procurement Strategy 2024/27 is a statement of how the delivery of the Council Plan will be supported by procurement during the three years until March 2027. The procurement function has gone through a transformation process during the past year and can now look forward to engaging with the Council's supply chain to deliver outcomes to support the ambitions of the Council Plan.

The strategy reflects both national and local policies and priorities and focuses on the Council's approach to embedding more corporate, consistent and commercial practices in all procurement and commissioning activities.

This strategy develops two previously implicit goals; to increase local spend in pursuit of community wealth building and to reduce carbon emissions from the supply chain through changing how the Council buys. There is an element of overlap in these two ambitions, but together they represent an ambitious and rewarding challenge for everyone who procures on behalf of the Council.

It is important that the strategy properly reflects the strategic priorities of the Council as a whole and this means that procurement needs to be responsive to the needs of service departments within the Council and must be agile enough to deal with emerging requirements.

As well as describing in detail how procurement will support each objective within the Council Plan, the strategy sets out several key objectives for procurement during the year.

1. To obtain value for money from every purchase
2. To make Dundee City Council a prized customer
3. To be lean and efficient in our procurement
4. To achieve social, economic, and environmental goals
5. To trade only with suppliers who behave ethically.

## Procurement Vision and Mission Statement

Dundee Partnership's City Plan 2022-2032 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 a light environmental footprint and sustainable economic growth for the supplier community.”

## A Strategic Approach to Procurement

The Procurement Strategy sets out how the objectives of the Council Plan will be supported by procurement. It is important that the strategic aims are reflected at each level in the procurement process, and this will be achieved by means of a series of key strategies designed and updated during the year.



This hierarchy of related strategies will create a 'golden thread' linking the performance of each member of the Corporate Procurement Team to the aims and objectives of the Council Plan

### Category Strategies

The City Council is charged with delivering a wide range of services to the people of Dundee. This means we need to buy goods, services, and works in a number of diverse markets.

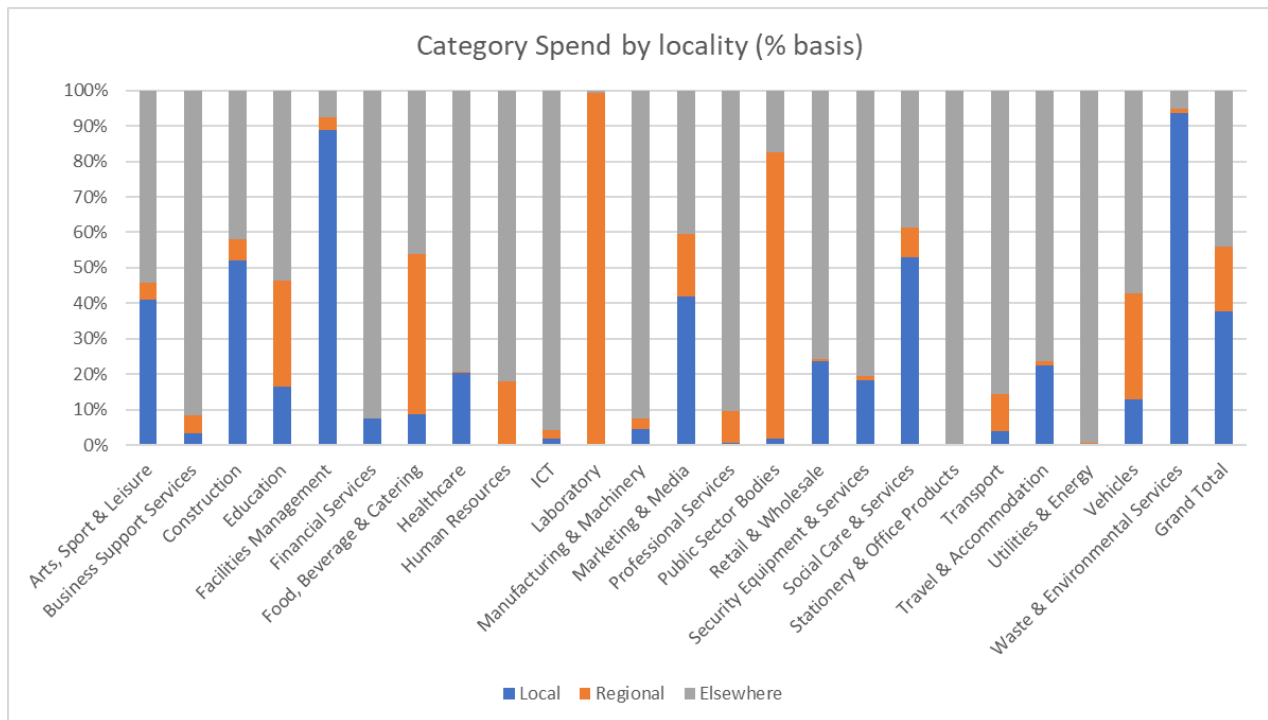
We have categorized those into eight distinct markets where we have significant spend.

- Construction (Major Works)
- Construction (Minor Works and Supplies)
- Social Care and Education
- Facilities Management
- ICT
- Fleet Management
- Environmental Services
- Roads and Transport

A separate strategy will be developed for each of those categories, and this will consider the nature of the market, the risks of a supply interruption in each as well as potential opportunities to improve quality, whole life costs or delivery logistics.

Category strategies will be drawn up for each major spend category and as part of that, the existing balance between local and national suppliers will be examined against the potential for local suppliers to be involved and an action plan will be developed, where the potential exceeds the actual, to encourage and enable greater involvement from local / regional suppliers.

*Fig 1; Percentage Spend by Category within Dundee, across Tayside and Fife, and Elsewhere*



The category strategies will examine the carbon emissions in the supply chain and seek to identify how those are generated. In broad terms, carbon emissions will be generated either by manufacturing / extraction or through supply chain logistics. The category strategy will target the development of an action plan to find solutions to reducing the carbon footprint – for categories with manufacturing / extraction emissions this may involve looking for alternatives; ‘What we buy’. Where the emissions come from the supply chain itself, for instance from transport, the examination will be on who we buy from, and how we can shorten and localise the supply chain. This will therefore have synergies with community wealth building.

The purpose of the category strategy is to take the aims and objectives from the annual procurement strategy and apply those to the specific category and the make-up of the market serving the category of spend.

## Sourcing Strategies

A sourcing strategy will be developed for each individual contract (or group of similar contracts) and this will be a further distillation of the category strategy, applied to a

specific commission. The sourcing strategy will assess specific opportunities and risks attached to the commission and will recommend a route to market.

The strategy also will recommend a methodology for maximising any opportunities for community wealth building or community benefits from the tendering exercise and address five key risks inherent in any public sector procurement.

- **Commercial Risk** – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.
- **Technical Risk** – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.
- **Performance Risk** – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.
- **Contractual Risk** – Being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.
- **Procurement Risk** – where a procurement is found unsound in law, through the public procurement rules.

It is intended that before a tendering process for larger contracts takes place, a report is presented to the relevant committee, summarising the sourcing strategy that has been developed for the commission, with the recommended route to market. The report will address the five procurement risks, with the mitigation to be put in place for each.

The report will ask members to approve the recommended route to market and to delegate the award of contract to the respective Executive Director in conjunction with the Executive Director of Corporate Services, following a compliant tender process. The delegation will be predicated upon there being on the tender process not significantly deviating from the best value goals described in the initial report. Delegations will not be sought for major contracts or capital projects.

In order to achieve our objective of being lean and efficient in our procurement process, sourcing strategies for contracts with smaller values will not require committee approval.

# Strategic Aims. Objectives and Key Priorities

## Council Objectives

The Dundee City Council Plan 2022-27 sets out how the Council will play its part in achieving the vision of the City Plan. Over this period, the Council will build on the strong partnerships that already exist across the public, private and third sectors.

The Council's priorities are directly supported by the council services. The role of the Corporate Procurement Team is to enable those services to obtain the goods, services and works they require, at the correct time, to the correct quality and to achieve overall best value.

### **Reduce child poverty and inequalities in incomes, education and health**

- Continue work to reduce the cost of the school day.
- Implement the recommendations of 'The Promise' to deliver the Scottish Government's commitment to care for Scotland's most vulnerable children and give them the best possible childhood.
- Increase the percentage of 16–19-year-olds participating in education, employment or training.
- Promote the uptake of concessionary travel scheme for young people, ensuring quick and easy access to entitlement.
- Expand our free early years education to all 1- and 2-year-olds, starting with children from low-income households.
- Build on the United Nations Convention on the Rights of the Child #MakeItRight campaign encouraging young people to know about their rights under the UNCRC, and for adults and the public sector to help safeguard those rights.
- Prioritise welfare support grants to children and families.
- Maintain momentum in energy efficiency and wall insulation programmes to reduce fuel poverty for children and families.
- Deliver the Equalities Outcome Plan 2021-2025
- Monitor progress of the Local Fairness Initiatives to ensure support and engagement across council services, as well as implementing changes to services or policies, as appropriate.
- Invest a further £130million in new and improved schools (Western Gateway and East End Community Campus)

### **Deliver Inclusive Economic Growth (including Community Wealth Building)**

- Implement the long-term City Centre Investment Plan to deliver a vibrant City Centre
- Continue to grow the number of jobs within Dundee Waterfront
- Maximise apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice.
- Increase and enhance employment pathways, in particular supporting around 11,000 economically inactive people towards job seeking and 16–19-year-olds into positive destinations.



- Increase the number of start-ups and SMEs in the city and support their expansion.
- Deliver an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs.
- Increase the percentage of care experienced young people in positive destinations.
- Increase the percentage of Dundee City Council Procurement spent with Dundee based organisations.
- Continue to raise the profile of the city through a range of marketing activities, promoting key messages, assets and opportunities to businesses, investors, developers and visitors.

### **Tackle Climate Change and Reach Net Zero Emissions by 2045**

- Provide further opportunities for pedestrianised areas, pocket-parks and support empowered communities to be partners and leaders on local plans and initiatives to develop biodiversity, local food growing and community spaces.
- Deliver the action plan to reduce waste, and reuse or recycle more.
- Deliver Scotland's first council-led green participatory budgeting initiative – Dundee Climate Fund
- Implement the Low Emission Zone to improve air quality (LEZ)
- Develop a city-wide Local Area Energy Plan and Local Heat & Energy Efficiency Strategy in partnership with the Dundee Climate Leadership Group
- Develop and implement a Net Zero Transition Plan and Carbon Budget for DCC
- Support the Scottish Government's plans to invest £500million nationally over the next 5 years to support walking, wheeling and cycling infrastructure.
- Expand the rollout of 'safer school streets' initiative.
- Embed a Cycle Network Plan within the Local Development Plan

### **Build Resilient and Empowered Communities**

- Work with Scottish Government on a Local Democracy Bill to further empower councils and local communities.
- Maximise participatory budgeting in all forms.
- Increase community ownership of Council owned assets.
- Support communities to be partners and leaders in each of the 8 Local Community Planning Partnerships
- Deliver Community Hubs for the City
- Help reanimate vacant places in the city centre and other retail areas.
- Incorporate the 20 Minute Neighbourhood concept into the forthcoming the Local Development Plan
- Build affordable houses that meet community needs.

### **Design a Modern Council**

- Deliver options to balance the Council's budget each year.
- Roll out a digital transformation programme.
- Deliver a programme of service redesign reviews to embed the digital and community empowerment changes.
- Roll out hybrid working across the Council.
- Increase digital learning, teaching of new working methods and developing the skills of our employees.
- Increase the uptake of modern and graduate apprenticeships.

## **How Procurement Will Support Council Objectives**

The best way for procurement to support the delivery of the Council's objectives is to ensure that Council services are able to source the materials, external services and works needed to deliver those services. Those have to be available at the right time for the service delivery and at the best combination of quality and price available from the market at any given time.

The five key priority areas within the Council Plan will be supported by Corporate Procurement in the following ways.

### **Reduce child poverty and inequalities in incomes, education and health**

- Promote fair work practices and the Scottish living wage in our procurement processes.
- Develop a dynamic community wish list that can be fulfilled through the use of community benefit clauses in procurement exercises.
- Provision and ongoing development of procurement routes in support of the Scottish Welfare Fund
- Encourage suppliers and contractors to recruit modern apprentices and graduate trainees.
- Utilise Community Benefit clauses within procurement activity to provide work experience, mentoring and other learning opportunities.

### **Deliver Inclusive Economic Growth (including Community Wealth Building)**

- Continue to develop our work in driving 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 this is appropriate.

- Encourage participation in tendering opportunities by including lotting within tender documents, to increase opportunities for SMEs to take part.
- Work with the Supplier Development Programme (SDP) to assist locally based SMEs and Third Sector organisations in bidding for tender opportunities.
- Ensure that our own procurement procedures are as accessible as possible for SMEs and Third Sector organisations and that we don't create unnecessary barriers to participation.
- Support partner organisations by providing a procurement service.

### **Tackle Climate Change and Reach Net Zero Emissions by 2045**

- Incentivise contractors to bring forward sustainable solutions to deliver contracts, using outcome specifications where practical.
- Develop category strategies to reduce scope 3 emissions on contracts.
- Ensure sustainability is considered in developing the specification for every procurement.
- Continue to utilise the Scottish Government's 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.
- Encourage our tier one suppliers, particularly the SMEs to access one of the 'net zero toolkits' that are freely available and place a link within our ITT (Invitation to Tender) documents to allow them to do this.

### **Build Resilient and Empowered Communities**

- Increase engagement with local suppliers and contractors at the early stages of procurement processes, ensuring that our specification is deliverable and the best route to market is chosen. This will be one that provides best value for the Council in a way that includes opportunities for involvement by those organisations that wish to play a part, either in a main or sub-contracting role.
- Working to develop Third Sector and generative organisations to become part of the Council's supply chain, to meet the needs of our operations where possible.

### **Design a Modern Council**

- To become a modern Council, we must also be a learning Council. Corporate Procurement will provide engagement routes with local organisations and companies and ensure that through early pre-procurement involvement, Council services are appraised of best practice and innovative solutions from the private sector.
- By using outcome specifications, we will encourage suppliers to deliver innovative solutions to our needs.
- The procurement function itself is changing and is becoming much more driven by data analysis. Corporate Procurement will engage with this and ensure that the Council is in a position to take advantage of opportunities provided by emerging technology.
- We will link to our key suppliers using technology, to give the Council greater visibility of the suppliers' stock levels and delivery schedules and allow those suppliers to have greater visibility of future demand levels.

## Legal Compliance and Governance

The regulatory framework for public procurement in Scotland is complex and the thresholds at which legal regulations begin are low in relation to other territories. The legal framework is fully supported by Dundee City Councils own Standing Orders and Tender procedures.

The Corporate Procurement Team therefore have knowledge of the procurement rules as a priority for all staff members and will continue to make all Council officers who procure aware of the rules that affect their service.

Using our strategic approach, we will assess the risks of every procurement exercise in the development of sourcing strategies, and one of those risks is the legal risk of getting something wrong in the process. This is likely to be particularly the case where the pursuit of other objectives leads us to depart from the standard methodology. Any risks identified will be made known to Democratic and Legal Services, who will check the documents for compliance, prior to issue to the marketplace.

## Procurement Objectives

Procurement is not simply the role of the corporate procurement team. It involves everyone in the Council who needs to obtain goods, services or works to deliver the service they are responsible for. Corporate Procurement's role is to empower everyone who needs to procure with the confidence and skills to make low value purchases without assistance and to contribute positively to the procurement process for higher value items.

Procurement across the Council, however carried out, will be achieved in a manner that is fair and transparent, by members of staff who are confident, knowledgeable and who show respect for and understanding of the marketplace they are operating in.

We will operate with the following specific objectives to the fore.

### To obtain value for money from every purchase

Value for money in procurement terms, is not about accepting the lowest price. Dundee City Council will always award contracts based on the Most Economically Advantageous Tender (MEAT). We will use a total cost approach and evaluate all the costs associated with a purchase over the lifetime of the contract or of the delivered product.

Dundee City Council will produce specifications for each procurement, containing details of the goods, service or works to be provided, with a location and timescale for each contract. The supplier community is a major source of expertise on the subject matter of our contracts and putting this knowledge to use can increase value for money. Therefore, we will.

- Consult with suppliers before specifications are finalised
- Have our specifications based on outcomes and allow suppliers to tell us how to best deliver what we need.

Dundee City Council will continue to extract value during the operation of a contract, by engaging actively in contract management, by using key performance indicators to drive continuous improvement, and by building business relationships during long-term contracts.

In each succeeding contract, we will learn lessons from the previous contract, remedying weaknesses and building on what went well.

### To be a prized customer

Dundee City Council want to work with the best contractors and suppliers in the market. In order to do this, it is important that we place ourselves as a valued customer and one those organisations are keen to work with.

To do this, we will

- Ensure there is early contractor involvement as we prepare our tenders for issue, helping us to make sure that our specifications are deliverable and that our contracts don't contain any unnecessary requirements.
- There will be a single Dundee City Council 'contract owner' for each contract awarded. This person will be notified to the supplier and will provide a single point of contact for the contractors to seek further information or ask for assistance.

- A schedule of payments will be agreed with suppliers at the beginning of each contract and when a payment is triggered on the schedule, Dundee City Council will aim to have the money in the supplier's bank account within 30 days (with local suppliers within 14 days).
- Where suppliers have submitted a bid for a Dundee City Council contract and not been successful, we will inform them promptly of the award decision. We will provide them with an additional detailed critique of their bid if requested to do so.
- At the end of each contract, we will formally request supplier feedback on the Council as a client and ask them to score our performance, in order that we can continue to improve.

### To be lean and efficient in our procurement

A procurement process, once begun, should be completed as soon as possible. Our preparation will be thorough so that the process can run without unnecessary delays. In a regulated contract, the target from issuing a contract notice to making the award of the contract will be 60 days.

It is important to suppliers that the time gap between them submitting a priced tender and receiving an award of contract is kept to an absolute minimum. When raw material and supply chain prices are volatile, this allows them to fix those prices with their own suppliers or sub-contractors shortly after quoting them on a tender submission. Our target, with pre-authorisation in place, is that the gap from tender closing date to award of contract should be no more than 30 days.

### To Achieve Social, Economic and Environmental Goals

Dundee City Council's procurement spend can be a means to encourage good practice through our supply chain, by which the sum of our own efforts can be multiplied many times. Social, Economic and Environmental awareness and an eye to a risk and an opportunity to maximise those, must be present at every point in the procurement process.

Designing the Specification – it is not enough simply to develop a solution to meet a particular Council need, those officers working on the solution need to be mindful of how the solution will be delivered by the companies we employ, and what impact those companies and their operations have. This awareness can be tested through the sourcing strategies, prior to any invitation to tender being released.

Making use of Community Benefits – every significant contract issued for tender by Dundee City Council will carry community benefit clauses that are appropriate to the delivery of the contract and proportionate to the contract value. Community Wishes will be introduced into other Council contracts, to allow contractors to deliver benefits directly to communities in a controlled and effective way.

Community Wealth Building –Community Wealth Building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Where traditional public sector policy has focused on the redistribution of wealth after it is created, and community wealth building focuses on mechanisms to ensure that wealth is shared as it's created. CWB activities are arranged over the five pillar areas of spending, land and property, finance, workforce and inclusive ownership.

Fig 2; Community Wealth Building



The Corporate Procurement Team will have a key role in the development and delivery of this approach through leading the spending pillar and as a key contributor to the Workforce, Land and Property and Inclusive Ownership Pillars.

The council engaged the Centre for Local Economic Strategies (CLES) to support the development of a Community Wealth Building Action plan identifies the following recommendations for procurement.

- **Improve the baseline reporting around spend** – Dundee City Council has now mapped the procurement spend within the city, across Tayside and Fife, and nationally.
- **Cross departmental working group to identify ways to increase opportunities for local generative business** – research has been

commissioned to map generative business in Dundee (defined as social enterprises, third sector, employee-owned business and cooperatives) and the support available nationally and locally to support them.

- **Develop a Community Benefits Strategy, which includes Fair Work across Dundee Anchors** - Community benefits policy to be reviewed in light of CWB priorities so that it can be shared with anchor partners and advise to develop their own approaches provided.
- **Develop and Deploy a Community Wish List Approach for Dundee** Community Wishes are intended to provide a mechanism for local communities to develop small project ideas or asks, have these moderated and then published. Contracted providers are then directed to the wishes and encouraged to select and deliver an appropriate outcome as part of their contracted community benefit requirement. The approach is in development and would intend to make use of existing arrangements around locality plan structures to consider projects.
- **Use public procurement to shape the market around improved sustainability and low carbon** - Through the lens of Community Wealth Building procurement will consider the contribution that a supplier or contractor makes to the community, in terms of social, economic and environmental goals, rather than just what it can achieve through a single contract. Not just legally, but also in terms of broader financial sustainability, this needs to be viewed in the context of continuing to achieve best value for the Council.

Because of its reach and potential complexity, in addition to the actions above this procurement strategy contains several goals that will make the Council's procurement practices fit to deliver community wealth.

### To Trade only with suppliers who behave ethically.

Companies who trade with Dundee City Council will respect the environment and comply with the laws of their own countries. They will not infringe human rights and they will not be involved with modern slavery. They will respect their own sub-contractors and suppliers and treat them fairly. They will not engage in fraud, bribery or corruption. Those suppliers will not only behave ethically themselves, but they will be active in ensuring that the same ethical practices are maintained in their own supply chains.

All of the staff procuring for Dundee City Council will hold CIPS Ethical Procurement and Supply Certificate. This will help those staff identify any non-ethical behaviour with potential suppliers or contractors.

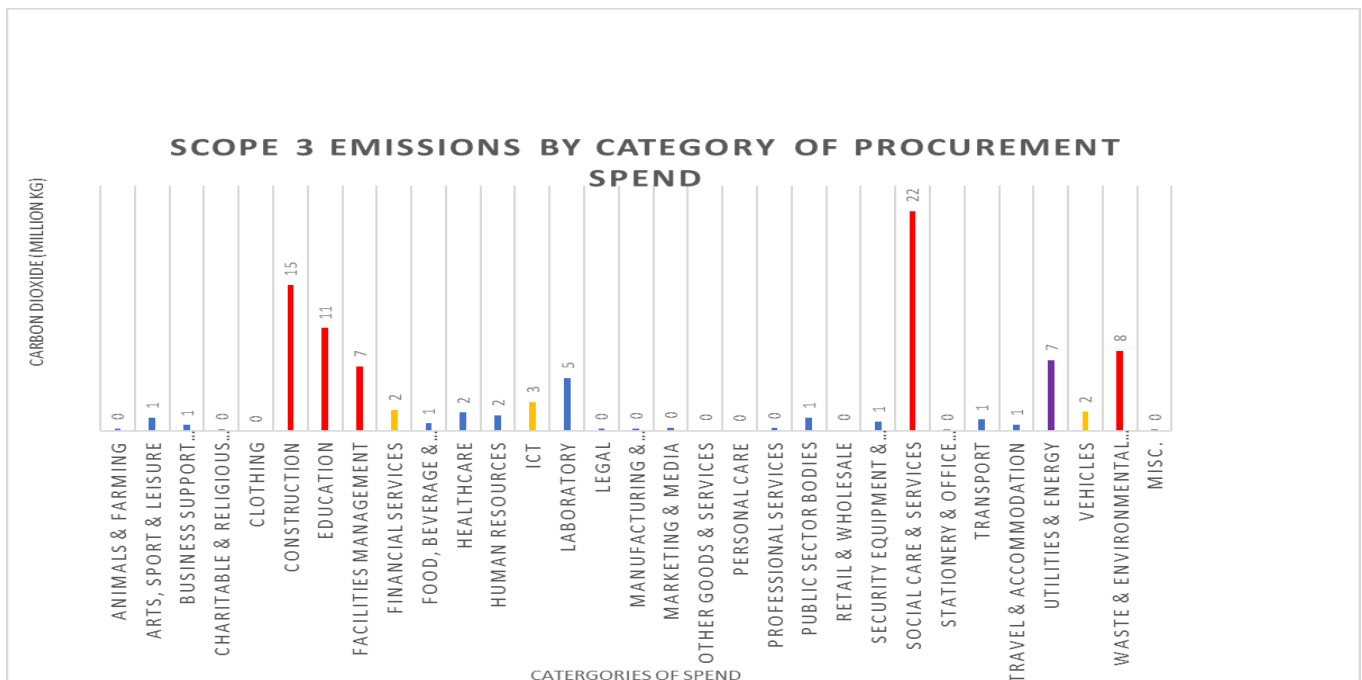


The Council will actively support the Fair Work agenda through its inclusion of Fair Work Practice requirements as a scored element of all relevant tenders. Linking with colleagues engaged in the Workforce Pillar we will use the tendering process to make clear our commitment as a Living Wage Accredited employer we will support Dundee's status the UK's first Living Wage City by ensuring that in scope contractors pay the Living Wage to all relevant staff delivering contracts on our land, property or areas we are responsible for maintaining.

### To reduce the environmental footprint of the Council's supply chain

Dundee City Council now has a measure of the carbon emissions generated by our procurement activity (Scope 3) From this, it is possible to identify categories that form carbon 'hotspots' within the total spend figures. These will be addressed through the development of category strategies. There is a general assumption that reducing emissions will cost money. However, with the correct approach, the opposite can also be true, as the first task in a carbon management strategy should be to examine whether the Council needs to buy at all. This will mean making sure that existing assets are utilised for their full economic life and extending the life is considered before replacement. Purchases should be made with a view to the circular economy and should be assessed on whole life costs.

Fig 3; CO2 emissions (kg) by category of spend\*



\*Includes other greenhouse gas equivalents

### To Do all these things across the whole of the Council

In order to support its operations, a local authority needs to procure a wide range of goods, services and works. These will come from a diverse range of markets, will involve various sets of regulation and will involve different skill sets in the procurement process.

Social Care procurement and commissioning will therefore continue to be managed by a specialist team from within the Health and Social Care Partnership. This team is responsible for all of the social services procurement described in Section 7 of the Public Contract (Scotland) Regulations of 2015 and listed in Schedule 3. In particular we are aware of the opportunities to work with third sector and generative contractors many of whom operate within health and social care.

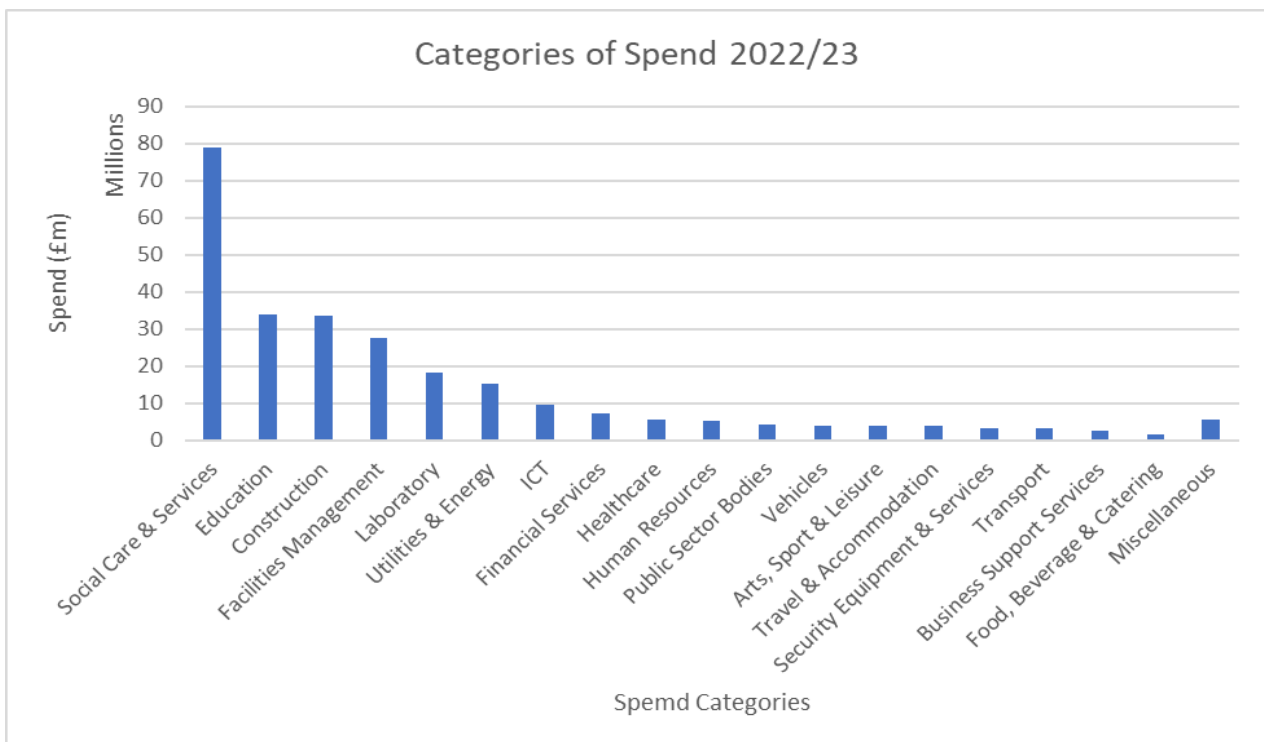
Dundee City Council will however have a single procurement identity as defined in this strategy, with different teams sharing information and skills, learning together and working to develop a strong single procurement ethos for the Council.

## 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 £280m per annum across all Council purchases.

The graph details spend that is made by category area:

*Fig 4; Categories of Spend*



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

Fig 5; Spend by Region

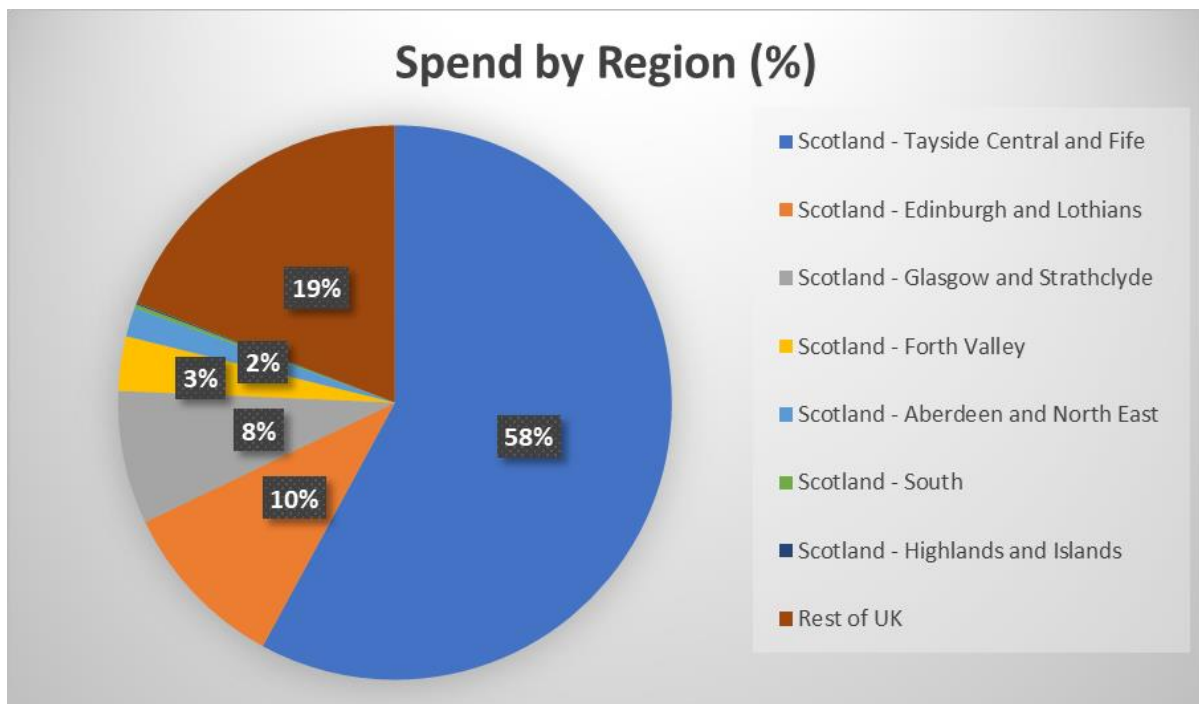
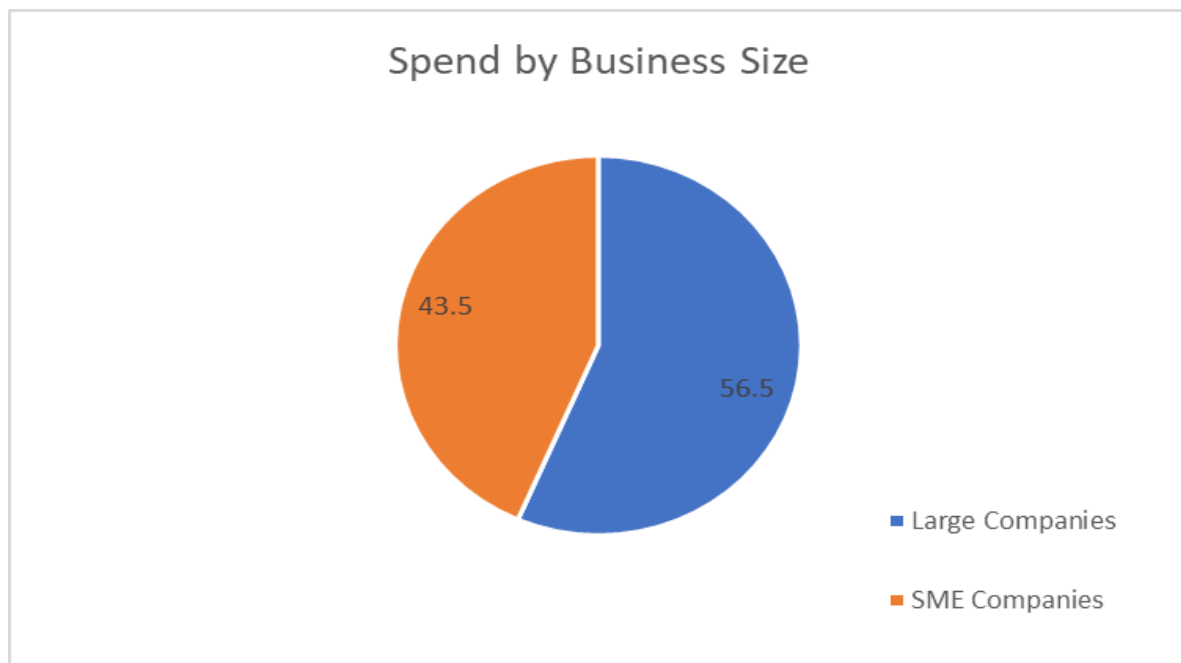


Fig 6: Spend by Size of Business



## Monitoring, Reviewing and Reporting on Strategies

The Council has invested in a transformation programme for procurement during 2023 and 2024 and an action plan has been developed for this. Progress against the action plan will be monitored on a quarterly basis by the Head of Corporate Finance and the Executive Director of Corporate Services. Beyond that, procurement performance against the strategy is monitored through the annual procurement report.

Under the Procurement Reform Act of 2014, the Council is required by Scottish Government to produce an Annual Procurement Report that records performance against this strategy. The report will include the following statutory reporting.

- Regulated procurements completed in the relevant period.
- Details of procurements 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.

Dundee City Council's Annual Procurement Report will also include results on new Key Performance Indicators for Dundee City Council procurement.

| Key Performance Indicator   | Target Year 1 | Target Year 3 |
|---|---------------|---------------|
| Average number of Days taken from Contract Notice (tenders advised to competition) to Contract Award      | 90 days       | 70 days       |
| Percentage of Council's procurement spend with contracted suppliers                                       | 80%           | 85%           |
| Number of Category Strategies, containing scope 3 emissions and local opportunity initiatives, developed. | 3             | 10            |

## Strategy Ownership and Contact Details

| <b>Name</b>    | <b>Role</b>                               | <b>Contact Details</b>           |
|----------------|---|----------------------------------|
| Robert Emmott  | Executive Director of Corporate Services  | Robert.emmott@dundeecity.gov.uk  |
| Paul Thomson   | Head of Corporate Finance                 | Paul.thomson@dundeecity.gov.uk   |
| Alan Brough    | Procurement Programme Manager (Temporary) | Alan.brough@dundeecity.gov.uk    |
| Julie Thompson | Corporate Procurement Manager             | Julie.thompson@dundeecity.gov.uk |

## Policies, Tools and Procedures

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

Procurement Reform (Scotland) Act 2014  
Public Contracts (Scotland) Regulations 2015  
Procurement (Scotland) Regulations 2016  
Scottish Model of Procurement  
Public Procurement Reform Programme  
Government Procurement Agreement (GPA) Thresholds  
Procurement Journey  
Scottish Procurement Policy Notes (SPPN)  
Council Standing Orders and Tendering Procedures  
Health and Safety Policies  
General Data Protection Regulations (GDPR)  
Community Benefits Policy  
Community Wealth Building Action Plan  
Council Plan 2022-27  
Sustainable Procurement Approach  
Scotland Excel

## Appendix 1

### **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 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 procurement

- 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 preselection 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 2– 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 work together for mutual benefit.

### **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.

### **Government Procurement Agreement (GPA)**

GPA is an agreement that exists within the World Trade Organisation, whereby signatories agree to open their public procurement markets to each other. The UK is one of 48 WTO members who have signed the agreement. The thresholds for competition were for many years called the OJEU thresholds, because the European

Union was the signatory on behalf of the UK, and OJEU was the European Journal that all tendering opportunities had to be published in.

### **Public Contracts Scotland**

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

### **Regulated Procurement**

Contracts above the thresholds for regulation set by the Scottish Government. (Above £50,000 for goods and services contracts and above £2,000,000 for works contracts). Those thresholds are considerably lower than the GPA thresholds.

### **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 organisations 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.

## **Scope 3 Emissions**

Are indirect emissions, not caused by the Council's own operations, but occurring in the Council's value chain, including both upstream (supplier) and downstream (customer) emissions. For the purposes of the procurement strategy, scope 3 refers to supplier emissions.