

Scotland Excel

To: Chief Executive Officers Management Group

On: 24 May 2023

**Report by:
Chief Executive of Scotland Excel**

Contract Standing Orders

1. Introduction

Collaboration is defined as an enabler of the Public Procurement Strategy for Scotland and has been proven as a mechanism for achieving sustainable and inclusive economic growth. As our procurement community responds to the challenges and opportunities of the current market conditions, the focus on our collective efforts has never been stronger. The Chief Executive Officer's Management Group (CEOMG) is seeking a mechanism to reinforce collaboration in our sector through additional wording in each Member Authority's Contract Standing Orders (CSOs). This proposed addition will complement the existing commitment towards collaboration and enhance the reference to Scotland Excel's portfolio as a default consideration before local tendering activity is undertaken.

This paper sets out a proposed inclusion to Council CSOs and the benefits this will enable, namely, that increased visibility of uptake and barriers to adoption will ensure refinements are made and future proofed. This underpins the drive for collaboration within and across sectors, ensuring sustainable procurement is as efficient and effective as possible in pursuit of shared goals.

2. Proposed insert to CSOs

Given that the format and structure of CSOs varies across Local Government it is recommended that the proposed text outlined below is inserted as a standalone order entitled "**Scotland Excel - Collaboration**". It is recommended this is introduced by those Chief Executives of the Management Group as soon as possible, with remaining Member Authorities to be consulted via the Society of Local Authority Chief Executives (SOLACE). This insert should be placed alongside other pre-tender considerations in accordance with the provisions of the Procurement Journey, which signposts collaborative contracts before commencing Route 2 or 3 procurements.

This proposed insert should be read in conjunction with the Council's Standing Orders, including the provisions for relevant Committees, the Scheme of Delegation, the Council's Financial Regulations and all other relevant Council policy and procedure.

“Scotland Excel – Collaboration

- 1. Officers should maximise their adoption of Scotland Excel arrangements and collaborate proactively to ensure that;***
 - a. Opportunities are signposted to their local supply chains;***
 - b. The Council is represented at appropriate forums to ensure local requirements are met;***
 - c. Best Value can be achieved through the sharing and benchmarking of relevant data;***
 - d. Appropriate engagement is undertaken on contract delivery plans.***
- 2. Officers are permitted to commence local tendering activity only when they have exhausted the potential available from any collaborative solutions provided by Scotland Excel.***
- 3. Notwithstanding order 1 and 2, the Council may arrange to contract for supplies, services, and works other than through Scotland Excel only in the following circumstances;***
 - a. Where the Council can demonstrate that it represents Best Value to do so;***
 - b. Where the Council can demonstrate that supplies, services, and works provided under the contract, let through Scotland Excel are not of an appropriate specification or quality to meet the requirements; or***
 - c. Where the supplies, services and works provided under the contract let through Scotland Excel are not available or not available within a timescale deemed reasonable by the Council.***
- 4. Where the Council determines to utilise an alternative route to market for the supplies, services and works the Council will;***
 - a. Record the rationale for non-participation in an existing collaborative arrangement to share with the appropriate delegated officer [e.g., Director of Finance];***
 - b. Share this rationale through Scotland Excel’s Chief Executive Officer’s Management Group (CEOMG).”***

As an enabler of this approach work has commenced on a standard contract register for the LG9 councils to identify collaborative opportunities more readily. The output of this review will also be presented to the CEOMG and SOLACE for consultation.

To ensure the benefits of collaborative sustainable procurement can be delivered, it is essential that drivers for non-participation are articulated and understood. The main objective of the proposed insert is to increase the visibility of those circumstances where a local procurement is undertaken despite a route to market having already been established by Scotland Excel.

This will inform the development of future collaborative arrangements and value for money considerations.

3. Benefits of approach

Signposting due consideration of routes to market established for the local government sector supports economies of scale and corresponding commercial benefits. This ensures specialist technical and procurement skills and resource is most efficiently invested in a shared pipeline of contracting activity, limiting duplication of effort.

This collective buying power strengthens partnership working with supply chains during the ongoing volatile market conditions impacting our economic recovery. By reducing the burden of tendering supply chains are better able to respond to the drive for innovative solutions, maximising the return on investment.