

Notice of Meeting and Agenda Procurement Sub-Committee

Date	Time	Venue
Wednesday, 11 March 2015	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Board Membership

Councillor Derek Bibby: Councillor Audrey Doig: Councillor Christopher Gilmour: Councillor Jim Harte: Councillor Jacqueline Henry: Councillor Paul Mack: Councillor Marie McGurk: Councillor Alexander Murrin: Councillor Iain Nicolson: Councillor Allan Noon: Councillor Tommy Williams

Councillor Michael Holmes (Convener): Councillor Eddie Grady (Depute Convener)

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at www.renfrewshire.gov.uk/agendas.

For further information, contact
democratic-services@renfrewshire.gov.uk.

Items of business

During consideration of the following items of business, the meeting will be open to the press and public.

Apologies

Apologies received from members of the Board.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

1 Contract Authorisation Reports

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| c | Mini Competition for Portable Appliance Inspection and Testing
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Report by Director of Finance & Resources | 21 - 28 |

To: Procurement Sub Committee

On: 11 March 2015

**Joint Report
by
Director of Finance and Resources & Director of Community Resources**

**CONTRACT AUTHORISATION REPORT – PAISLEY TOWN CENTRE BUS
FACILITIES IMPROVEMENTS**

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award a contract to Mac Asphalt Limited for the Paisley Town Centre Bus Facilities Improvement Works at various Streets, including, Weir Street/Sneddon Street, St Mirren Street, Smithhills Street & Gauze Street located within the town centre.
 - 1.2 The contract was tendered in accordance with the below EU Threshold Open Procedure (Works) and the Council's Standing Orders Relating to Contracts. A Contract Strategy was agreed by the Director of Community Resources and the Procurement Manager on 22nd December 2014.
 - 1.3 This contract is anticipated to commence on 7th April and will be for a period of 16 weeks from date of commencement.
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2. Recommendations

2.1 It is recommended that the Procurement Sub-Committee:

- (a) Authorise the Head of Legal and Democratic Services to award a contract for the Paisley Town Centre Bus Facilities Improvement Works to Mac Asphalt Limited for the sum of £1,135,183.62.
 - (b) It is further recommended that the Procurement Sub Committee authorise that an additional 10% may be spent on this contract for unforeseen works which are required on site.
 - (c) Note that it is anticipated the contract will commence on 7th April 2015 for a period of 16 weeks, this contract start date will be confirmed in the contract award letter.
-

3. Background

- 3.1 The Council's Community Resources Service has received funding from Strathclyde Partnership for Transport (SPT) of £1.8M for the upgrade of public transport infrastructure in Paisley Town Centre.
- 3.2 This contract forms part of this upgrade of public transport infrastructure within Paisley Town Centre and was tendered in accordance with the below EU Threshold Open Procedure (Works) and the Councils Standing Orders Relating to Contracts.
- 3.3 A contract notice was published via the Public Contracts Scotland advertising portal on the 8th January 2015. The contract has been tendered under the Public Contracts (Scotland) Regulations 2012, as amended, in so far as they apply. By the deadline date for submissions of tenders, 12 Noon on 28th January 2015, a total of fifteen (15) companies had downloaded the tender documentation with three (3) of those companies submitting a tender response.
- 3.4 The three (3) tender submissions received were evaluated against a pre-determined set of Bid Selection Criteria by officers from the Corporate Procurement Unit, Corporate Insurance, Corporate Health & Safety and Community Resources which assessed each tenderer against completeness of their submission. All (3) companies met the Bid Selection Criteria and were then evaluated against a set of Award Criteria. The Award Criteria were based on a Price / Quality / Community Benefit ratio of 70% / 20% / 10%. The scores relative to the Award Criteria of each tenderer meeting the Bid Selection Criteria is noted as follows:

	Caley Construction Limited	John McGeady Limited	Mac Asphalt Limited
Price	45.15%	51.86%	70.00%
Quality	11.00%	10.10%	17.80%
Community Benefit	06.85%	07.20%	07.45%
Total	63.00%	69.16%	95.25%

3.5 It is recommended that Mac Asphalt Limited, as the most economically advantageous tenderer, is awarded the contract for the Paisley Town Centre Bus Facilities Improvements Works.

3.6 The contract value will be £1,135,183.62 excluding VAT as tendered by Mac Asphalt Limited. This spend will be met from the SPT Funding of £1.8M held by Community Resources.

3.7 Mac Asphalt Limited have committed to delivery of the following community benefits:

- 2 Modern Apprenticeships;
- 2 Jobs for the Unemployed;
- 1 Work Experience Placement for age 16+years
- 1 Work Experience Placement for age 14-16 years
- Provide 1 Industry Awareness Day ;and
- 1 Supply Chain Briefing with SMEs

Implications of the Report

1. **Financial** - The financial status of Mac Asphalt Limited has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial capacity.

Financial costs in respect of this contract will be met from SPT Funding of which part of this funding has been budgeted for spend this Financial Year.

2. **HR & Organisational Development** - Not applicable

3. **Community Planning** - Community benefits have been offered as detailed in section 3.7 of this report.

Greener – The recommended contractor has an environmental policy which demonstrates that they give consideration to the impact their business and processes have on the environment.

4. **Legal** - The process has been conducted in compliance with the Renfrewshire Council's Standing Orders Relating to Contracts for below EU threshold works contracts and the Public Contracts (Scotland) Regulations 2012, as amended.
5. **Property Assets** - Not applicable
6. **Information Technology** - Not applicable
7. **Equality & Human Rights** – The recommendation contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – Mac Asphalt Limited's health and safety procedures have been assessed and evaluated to confirm that they met the minimum requirements regarding health & safety.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – Mac Asphalt Limited's Insurances provision has been assessed and meets the minimum requirements regarding risk for this contract.
11. **Privacy Impact** – Not applicable

List of background papers

- (a) None

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To: Procurement Sub Committee

On: 11 March 2015

**Joint Report
By
Director of Finance and Resources and Director of
Development and Housing Services**

**Contract Authorisation Report
Measured Term Contract for a Back-Up Contractor for Site Works,
Ground Works, Drainage and External Works**

1. Summary

- 1.1 The purpose of this contract authorisation report is to seek the approval of the Procurement Sub Committee to award a Measured Term Contract (MTC) for a Back-Up Contractor for Site Works, Ground Works, Drainage and External Works to City Gate Construction (Scotland) Limited.
- 1.2 This procurement exercise has been conducted in accordance with the below EU Threshold Open Procedure (Works) and the Council's Standing Orders Relating to Contracts. A Contract Strategy was prepared by the Corporate Procurement Unit and agreed by the Procurement Manager and the Buildings Services Manager on 13 January 2015.
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2. Recommendations

2.1 It is recommended that the Procurement Sub Committee:

- (a) Authorise the Head of Legal and Democratic Services to award the

contract for a MTC for a Back-Up Contractor for Site Works, Ground Works, Drainage and External Works, RC1501_3407(ITT6999), to City Gate Construction (Scotland) Limited for a ceiling value of £300,000 over the initial three year term, with a further ceiling of £200,000 based on the available extension options.

(b)Note that the initial term of the MTC shall be three years from the date of commencement, which is anticipated to be 31 March 2015, with an option to extend for a further 1+1 years.

3. Background

3.1 The Council has a requirement for a back up contractor to carry out works such as excavation, ground works and drainage on various properties/sites. Where demand for one of these specific trades outstrips in-house resources, the back-up contractor will be used.

3.2 This contract was tendered in accordance with the below EU Threshold Open Procedure (Works) and the Council's Standing Orders Relating to Contracts.

3.3 A contract notice was published on the Public Contracts Scotland advertising portal on 16 January 2015 with the tender documentation available for downloading from the Public Contracts Scotland – Tender website. The contract has been tendered under the Public Contracts (Scotland) Regulations 2012, as amended.

3.4 During the tendering period thirteen companies expressed an interest in the contract. By the closing date set for the return of electronic tenders, 12 noon on 2 February 2015, four companies submitted tenders, one company declined to tender and eight companies did not respond.

3.5 The four electronic tender submissions received were evaluated by representatives from the Corporate Procurement Unit, Corporate Insurance, Health & Safety and Development & Housing against pre-determined Bid Selection Criteria which assessed their capacity, experience & track record and their technical and financial capabilities.

3.6 One of the companies failed to meet the Bid Selection Criteria as they could not meet the scope of works and, therefore, were not considered further in the process. The remaining three companies which met the Bid Selection Criteria were evaluated against a set of Award Criteria. The Award Criteria was based on a Price /Quality/Community Benefits ratio of 70%/20%/10%. The scores relative to the Award Criteria of each tenderer are as follows:

3.7

	Price (70%)	Methodology and Approach (20%)	Community Benefits (10%)	Total
City Gate Construction (Scotland) Ltd	70%	12%	10%	92%
John McGeady Ltd	64.32%	16%	10%	90.32%
Brick and Steel Construction Company Ltd	52%	8%	10%	70%

3.8 It is recommended that the contract is awarded to City Gate Construction (Scotland) Limited, who is the most economically advantageous tenderer after evaluation.

3.9 The maximum value attributed to the contract under the three year term is a ceiling value of £300,000. There is an anticipated saving of £19,600 on year 1 of the contract.

3.10 City Gate Construction (Scotland) Limited have committed to delivery of the following community benefits:

- 1 permanent position;
- 2 young people from Barnados Youthbuild for the duration of the contract. This project equips disadvantaged young people within Renfrewshire with the skills, experience and contacts to access sustainable employment. It targets the construction industry and offers young people the opportunity to work on a live site with established building contractors and gives both on site and off site training; and
- Construct and install two benches in Renfrewshire.

Implications of the Report

1. Financial

The financial status of City Gate Construction (Scotland) Ltd has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

N/A

3. Community Planning

Community benefits have been offered a detailed in section 3.10 of this report.

4. **Legal**
The tendering procedures for the establishment of this contract were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for below EU Threshold works contracts and the Public Contracts (Scotland) Regulations 2012, as amended.
5. **Property/Assets**
N/A.
6. **Information Technology**
N/A
7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety**
City Gate Construction (Scotland) Limited's health and safety submission has been evaluated by Corporate Health & Safety and have met the minimum requirements regarding health and safety.
9. **Procurement**
The procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk**
City Gate Construction (Scotland) Limited's insurances have been assessed and evaluated to confirm that they have met the minimum requirement regarding risk.
11. **Privacy Impact**
Not Applicable.

List of Background Papers

None

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To: Procurement Sub Committee

On: 11 March 2015

**Joint Report by: Director of Finance and Resources and Director of
Development and Housing Services**

**Heading: Contract Authorisation: Mini Competition for Portable Appliance
Inspection and Testing RC1412_3267(ITT6672)**

1. Summary

- 1.1 The purpose of this contract authorisation report is to seek the approval of the Procurement Sub Committee to award the contract for Portable Appliance Inspection and Testing, RC1412_3267(ITT6672), to Skanska Rashleigh Weatherfoil Limited, trading as Skanska Facilities Services.
 - 1.2 The Framework Agreement for Provision of General Electrical Works, Testing, Maintenance and Remedial Services, R101102079, was approved by the Procurement Sub-Committee on 2 March 2011.
 - 1.3 This procurement exercise has been conducted in accordance with the Council's Standing Orders Relating to Contracts and is for a Package Order being let under this Framework Agreement.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub Committee authorise the Head of Legal and Democratic Services to award the package order for Portable Appliance Inspection and Testing, (contract number RC1412_3267(ITT6672) to Skanska Rashleigh Weatherfoil Limited, trading as Skanska Facilities Services.

2.2 The Procurement Sub Committee is requested to note that the period of the contract shall be 4 years from the date of commencement, which is anticipated to be 1 April 2015. The value of the contract is £301,019.25 excluding VAT.

3 Background

3.1 From April 2011 responsibility for the management and maintenance of Council property and assets was transferred from the individual Service Departments to the centralised “Corporate Landlord”. A central requirement of Corporate Landlord is to ensure that Council property, facilities and assets are properly maintained in a manner that complies with statutory legislation and that the appropriate records are retained. In order to meet these requirements the Council instructs contractors to carry out a number of these duties.

3.2 To ensure the Council has timely access to pre-selected, properly qualified contractors at agreed rates, a number of framework agreements have been put in place across a variety of trades or disciplines such as electrical contractors, gas and plumbing contractors, minor building projects etc. The Framework Agreement for the Provision of General Electrical Works, Testing, Maintenance and Remedial Services relates to the provision of a range of electrical engineering activities including audits of network within Council properties, electrical testing, PAT testing and remedial & maintenance works and that these services are carried out in accordance with the needs of the Council and the existing legislative requirements.

3.3 All six contractors on the framework agreement were invited to participate in a mini competition exercise relating to portable appliance inspection and testing. By the deadline date for receipt of mini competition tender submissions on 9 January 2015, two out of the six framework agreement contractors had submitted a tender response.

3.4 A capability assessment was undertaken on the two contractors by officers from the Corporate Procurement Unit, Corporate Insurance and Development & Housing Services. Both passed the assessment and they were then evaluated against a set of Award Criteria based on a Price /Quality ratio of 75%/25%. The scores for quality were taken from the scores the framework agreement contractors achieved at the framework stage. The scores relative to the Award Criteria of each contractor are as follows:

3.5

	Skanska Rashleigh Weatherfoil Limited, t/a Skanska Facilities Services	A Burgoyne (Electrical Contractors) Ltd
Price (75%)	75%	45.77%

Methodology and Approach (10%)	10%	6.6%
Value Added Services (5%)	3.3%	5%
Wider Community Benefits (5%)	5%	5%
Warranties/Guarantees Offered (5%)	1%	5%
Total Score (100%)	94.3%	67.37%

It is recommended that the contract is awarded to Skanska Rashleigh Weatherfoil Limited, trading as Skanska Facilities Services, who is the most economically advantageous tenderer after evaluation.

3.6 The spend under the contract is £301,09.25 which is 7.19% under the estimated budget of £324,000.

3.7 Skanska Rashleigh Weatherfoil Limited, trading as Skanska Facilities Services, have committed to the delivery of the following community benefits:

- assisting local schools within Renfrewshire by carrying out mock interviews,
- offering work experience,
- work shadowing and careers events for young people.

Implications of the Report

1. Financial

The financial status of Skanska Rashleigh Weatherfoil Limited, trading as Skanska Facilities Services, has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

None

3. Community Planning

None

4. Legal

Tendering was in accordance with the Terms and Conditions set within the Framework for Provision of General Electrical Works, Testing, Maintenance and Remedial Services (R101102079) and the Council's Standing Orders Relating to Contracts.

5. Property/Assets

The inspection and testing of portable appliances in council premises will ensure the health and safety of the inhabitants of these properties using the equipment as well as the operational safety and longevity of the appliances/assets.

6. Information Technology

None

7. Equality & Human Rights

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. Health & Safety

Corporate Health & Safety have vetted the Health & Safety submissions of the framework agreement contractors and confirmed that they satisfied the minimum requirements relative to the framework agreement.

9. Procurement

The allocation of work has been carried out in accordance with the framework agreement terms and conditions and Standing Orders Relating to Contracts.

Utilising a framework agreement for delivery of this programme significantly reduces the administrative burden associated with tendering each individual piece of work and improves contract delivery through better established constructive long term working relationships.

10. Risk

Corporate Risk vetted the indemnity provision held by the framework agreement contractors at the time of establishing the framework agreement. This was also reviewed at the tendering stage of this package order.

11. Privacy Impact

Not Applicable.

List of Background Papers

- (a) (a) Contract Authorisation Report: "Creation of a Framework for the Provision of General Electrical Works, Testing, Maintenance and Remedial Services" went to the General Management & Finance Policy Board on 2 March 2011.

The foregoing background papers will be retained within the Corporate Procurement Unit for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Judith Hume, Procurement Specialist, 0141 618 7028, Judith.hume@renfrewshire.gov.uk

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To: Procurement Sub Committee

On: 11 March 2015

Report by: Director of Finance and Resources

Heading: Community Benefits Strategy Update

1. **Summary**

- 1.1 The purpose of this report is to provide an update on the progress and achievements to date on delivering Community Benefit outcomes through the Council's Community Benefits Strategy.
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2. **Recommendations**

- 2.1 The Procurement Sub Committee is asked to note the achievements to date on deriving Community Benefits from Council's contracts across a range of commodities.
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3. **Background**

- 3.1 The Council's desire to maximise social benefits through contracts has driven the commitment to consider Community Benefits on all tender exercises and to include a 5-10% weighting on ITT's as appropriate. In addition, all construction and infrastructure contracts above £250k, now include a 10% Community Benefits weighting. If a 10% weighting is not applied, a reason must be given to why it was not deemed appropriate.

- 3.2 A breakdown of Community Benefit Outcomes since June 2013 and commitments derived from contracts since implementing the new Community Benefits Strategy (June 2014) is outlined in Table 1 attached.
- 3.3 Community Benefits Highlights:
- Goods & Service Contracts not previously targeting Community Benefits now securing commitments. For example:
Fresh Fruit & Vegetable and Community Meals Contracts include 5 x Modern Apprenticeships, 3 x Graduate and 3 Work Experience Placements.
 - Work Contracts incorporating Community Benefits:
Recent SHQS & Housing Capital Investment contracts include 5 x Modern Apprenticeships and 14 x Work Placements.
 - Additional Community Benefit commitments from suppliers include:
 - supply chain contracts for local SME's
 - mentoring third Sector organisations/charities
 - signing up to Invest in Renfrewshire
 - industry awareness workshops & career events for local schools
 - industry recognised training for new entrant trainees
- 3.4 Future significant implementation of Community Benefits includes City Deal programme of infrastructure investment and the Council's Paisley town centre regeneration and heritage strategy.
- 3.5 Key outputs since June 14:
- Community Benefit Training for all CPU staff – Completed
 - ITT document to include Evaluated & Non Evaluated CB's - Completed
 - Monitoring Framework & Supplier Guidance – Established/On-going
 - Community Benefit Forum – Ongoing
- 3.6 Consultation with the Councils Economic Development Department and Invest in Renfrewshire is on-going to ensure department objectives and MI (Management Information) is aligned and producing outcomes.
- 3.7 The Community Benefit Strategy takes cognisance of the Scottish Government Procurement Reform Bill, which states 'A community benefit requirement is a contractual requirement imposed by a contracting authority relating to (i) training and recruitment, or (ii) the availability of sub-contracting opportunities, or (iii) which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included'

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** - None.
3. **Community Planning** – Jobs and the Economy
The Community Benefits Strategy aims to have a positive impact on Renfrewshire’s Community Plan Objectives, particularly Jobs and the Economy.
4. **Legal** – The Community Benefits Strategy and ITT documents monitoring has been developed in consultation with the Councils Legal Department.
5. **Property/Assets** – None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None
9. **Procurement** – The Community Benefit Strategy outlined within this report shall ensure that the Council meets the requirements outlined in the Scottish Government’s Procurement Reform Bill.
10. **Risk** – None
11. **Privacy Impact** - None

List of Background Papers

- (a) Community Benefits Strategy

Author: Alan Johnston, Community Benefits & Compliance Manager.
Tel 0141 618 6118

Table 1 Community Benefit Outcomes Table

Social Value Outcomes Jun 13-Mar 15	Actual Since June 13	Commitments Since June 14	Cumulative Total
<u>OUTCOMES</u>			
Modern Apprenticeships	22	10	32
Graduates	2	4	6
Jobs (Unemployed)	105	17	122
Trainee Positions	56	11	67
Work Experience	87	21	108
Education Support Initiative	67	38	105
Supply Chain Development Activity	Not previously recorded	10	10
S/NVQ Training	11	29	40

To: Procurement Sub Committee

On: 11 March 2015

Report by: Procurement Manager

Heading: PROCUREMENT REFORM PROJECT UPDATE

1. Summary

1.1. In 2009 Renfrewshire Council was evaluated at 'non-conformance' in terms of its procurement performance as defined in the Procurement Capability Assessment (PCA). At the 2010 assessment the Council reached its goal of 'Improved' performance'. This represented an increase in the Council's score from 21% in 2009 to 55% in 2010. In December 2011 the score increased to 66%, making Renfrewshire the highest scoring Council in Scotland followed by a score of 75% in December 2012, making the Council the first in Scotland to achieve 'Superior' performance.

1.2. In 2013 The Council raised their assessment score to achieve 80% and the Council's most recent PCA was in December 2014, resulting in an increased score in sections 5 and 8. These percentage increases when applied to the overall score secured an additional 3% to achieve a score of 83%. Renfrewshire remains the highest scoring Council in Scotland.

1.3. In 2014 all Scottish Councils were asked if they would like to consider freezing the scores they have achieved in sections that totalled over 60% (Improved performance). This would allow focus to be given to the areas that need improvement. Renfrewshire Council took this option to allow focus on section 5. Contract and supplier management and section 6. Purchasing processes and systems. Therefore in December 2014 the Council were audited on Sections 5, 6 & question 8.1 of section 8.

1.4. The Scottish Government who manages the assessment over all public bodies in Scotland will end the current PCA and plan to release a new Assessment Regime for 2015 (shortened to AR15). The AR15 will be graded differently from the original PCA and full details are expected to be released In April 2015.

2. Recommendations

2.1 It is recommended that the Board note the content of this report.

3. Background

Section 1 – Procurement Leadership and Governance SUPERIOR

The Council scored 87% against a local authority average of 65%.

This section was not audited previous score of 87% for 2013 was accepted.

Actions Required – continue to embed the structure and processes to maintain the high level of scoring in this area. Review resources on an ongoing basis to ensure priorities are being delivered throughout the Council.

Section 2 – Procurement Strategy and Objectives SUPERIOR

The Council scored 100% against a local authority average of 75%

This section was not audited previous score of 100% for 2013 was accepted.

Actions required – continue to have procurement involved in key groups, and more specifically evidence procurement involvement at the early stages of service reviews and where alternative delivery models are being considered. Incorporate quarterly reporting on reform activity and supplier management to the CMT. Develop and implement the Council's procurement strategy to cover 2015 -2018.

Section 3 – Defining the Supply Need SUPERIOR

The Council scored 78% against a local authority average of 59%.

This section was not audited previous score of 78% for 2013 was accepted.

Action required – Ensure all service department staff are proficient in writing

specifications, and that CPU staff are knowledgeable enough to challenge specifications where required.

Ensure service departments are receiving useful management information for key contracts, so that volumes and specifications can be reviewed and amended where appropriate.

Use soft market testing where appropriate to gain insight from suppliers when specifications are being developed.

Section 4 – Procurement commodity/ project strategies and collaborative procurement SUPERIOR

The Council scored 89% against a local authority average of 65%.

This section was not audited previous score of 89% for 2013 was accepted.

Actions required – continue to embed the use of contract strategies across all areas, and improve the quality of the document and the Council's approach particularly in areas such as market research, collaboration and sustainability.

The new Community Benefit Strategy is in place to ensure the use of community benefit clauses maximise social value from the Council's contracts. The strategy includes a new evaluation and monitoring process and a new suite of community benefit clauses for inclusion in ITT's.

The CPU will continue to select local post code suppliers for 50 % of those invited to quick quote to give opportunity to local business as highlighted in the Renfrewshire 10 point action plan

Section 5 – Contract and Supplier Management SUPERIOR

The Council scored 76% (+19% from 2013) against a local authority average of 45%.

It is recognised that contract and supplier management is a key area for improvement across the Scottish public sector. The Council has a supplier and contract management strategy which identifies how to categorise and manage suppliers. Supplier scorecards are in place for high value/ high risk suppliers. The Council has quarterly contract review meetings with suppliers, and scorecards are used to improve performance.

Actions required – Continue to review the Councils high risk/ high value suppliers and ensure these are managed regularly and effectively in collaboration with operational service department leads. Ensure quarterly review meetings are held with all key suppliers, scorecards completed and supplier performance monitored with improvement plans where necessary. With a focus on cost savings and increased social value outcomes.

Section 6 - Key Purchasing Processes and Systems IMPROVED

The Council scored 53% (no change from 2013) against a local authority average of 44%.

The Council performed well in this area despite having numerous systems for managing the P2P process. The Council cannot improve this score due to the gaps in integration with the current suite of systems.

Actions required – Continue to implement P2P strategy, including no PO, no payment communication, and centralisation of invoice submission. Interrogate the new purchase card MIS system to improve contracts, compliance. Continue to work with ICT colleagues to explore opportunities to integrate systems and standardised procurement approaches.

Section 7 – People

SUPERIOR

The Council scored 100% against a local authority average of 74%.

This section was not audited previous score of 100% for 2013 was accepted.

Actions required

Rollout of 15/16 training plan.

The CPU Structure is continually evolving to meet service needs. This will require further review in 15/16.

Section 8 – Performance Measurement

SUPERIOR

The audit for the Council only covered question 8.1. The success in providing evidence against this question resulted in Section 8 progressing from Improved to Superior.

The Council scored 78% (+6% from 2013) against a local authority average of 53%.

The Council scored well around supplier development and investing in supplier capability

Actions required –

Rollout of contract and supplier strategy, ensuring management information is obtained, and contracts well managed. Strategies to incentivise performance are also considered at strategy stage.

4. Local Authority Landscape

4.1 Renfrewshire Council is the highest scoring Council in Scotland at 83% and is one of three Local Authorities in Scotland to have achieved 'Superior' Performance (See Appendix 1). The average score across

the 32 Scottish Local Authorities was 62%.

4.2 There are eight sections covered by the PCA which are listed below. Renfrewshire Council is above the local authority average in all areas (this is shown graphically at Appendix 2).

1. Procurement Leadership and Governance
2. Procurement Strategy and Objectives
3. Defining the Supply Need
4. Procurement commodity/project strategies and collaborative procurement
5. Contract and supplier management
6. Key purchasing processes and systems
7. People
8. Performance Measurement

5. Conclusion

5.1 The Council is the top performing Council in terms of procurement

Performance in Scotland. This is evidenced by its PCA score, and the shortlisted finalists awards the Council achieved in 2014.

There is still room for improvement, particularly in the areas of contract and supplier management and key purchasing processes and systems; this will continue to be a focus during 2015/16.

5.2 The new AR15 will continue to assess these areas and more across the Council in terms of commercial awareness and best Procurement practices. Full details will be released in April 2015.

Implications of the Report

1. **Financial** – None
2. **HR & Organisational Development** – None
3. **Community Planning**
Jobs and the Economy - Procurement reform results in fair and transparent processes for suppliers.
4. **Legal** – None
5. **Property/Assets** – None
6. **Information Technology** – In order for the Council to move beyond its 83%

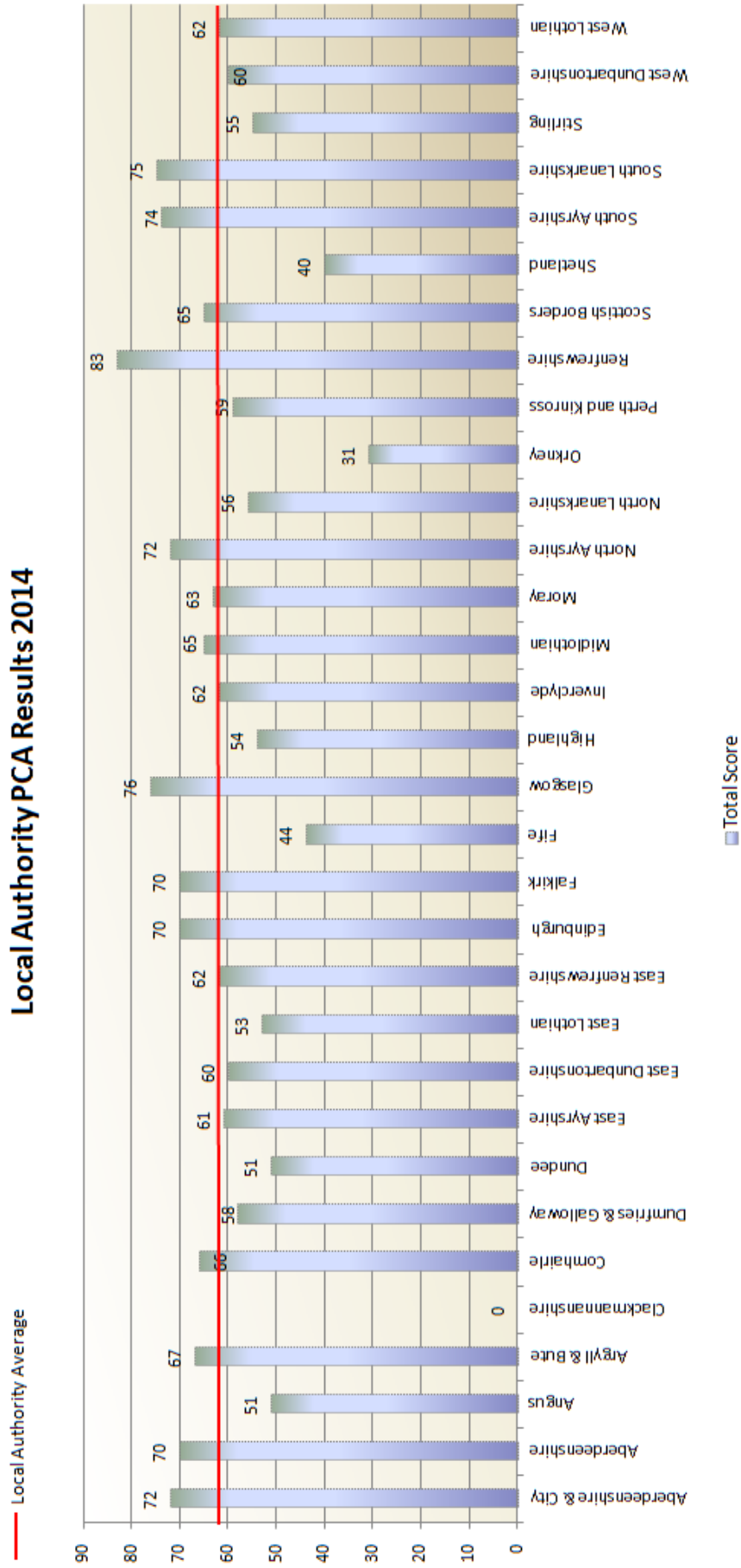
score, there is a large amount of ICT development and integration required.

7. **Equality & Human Rights** - None
8. **Health & Safety** - None
9. **Procurement** – ongoing procurement reform results in improved procurement performance.
10. **Risk** – None
11. **Privacy Impact** – None

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Appendix 1

Local Authority PCA Results 2014



Appendix 2

