

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate Services Committee: 28th March 2007

Subject: Corporate Procurement

1. Purpose:

- 1.1** The purpose of this report is to update the Committee on progress to date of the Corporate Procurement Strategy, the Corporate Procurement Unit and related developments.

2. Background

- 2.1** The Corporate Procurement Strategy was approved by the Corporate Services Committee in October 2005.
- 2.2** The Review of Public Procurement in Scotland Report and Recommendations by John F. McClelland was published in March 2006.
- 2.3** The Corporate Procurement Unit was fully operational in April 2006.
- 2.4** An update report was provided to the Corporate Services Committee on 28th June 2006.
- 2.5** The EGF2 Stage 2 bid, branded Scotland Excel was approved by the Scottish Ministers in November 2006.

3. Main Issues

- 3.1** Implementation of the Corporate Procurement Strategy is dependent on the Corporate Procurement Unit being fully operational. A degree of delay in implementing the Corporate Procurement Strategy was caused by the recruitment and selection processes, and also staff retention issues.
- 3.2** Nine Strategic Objectives are contained within the Corporate Procurement Strategy and updates on each are included as Appendix 1 to this report.
- 3.3** A significant degree of success, to date, has been achieved by the Corporate Procurement Unit, details as below:
- A target of £100,000 of savings, on top of the operating costs of the Corporate Procurement Unit was set for 2006/2007. Anticipated projected savings will exceed this target.
 - The Corporate Procurement intranet site is now available, and provides information and guidance on procurement related matters to all internal users.

- A Purchasing Cards pilot has now been running for 12 months within the Roads section of HR&ES. To date £850,000 has been accounted for by this means and with 12 active cardholders and a total of 1312 transactions. Phase II of Purchasing Cards will begin for Stationery during March 2007 with a limited number of targeted major users, prior to roll-out across the Council.
- A Corporate Procurement Forum was created in April 2006 and meets six weekly with all departments represented. The prime areas focused on by the Forum are: cost reduction potential; contract formation; best practice initiatives; advice and guidance on procurement; and procurement as a corporate driver for change.
- Savings continue to be delivered through active collaborative contracts between Local Authorities, facilitated through the *abc* model. The Council is also involved in 'cluster' collaborative contracts with Inverclyde and East Renfrewshire Councils. It is anticipated that further, similar 'cluster' collaborations with other public sector bodies will develop in the future.
- A formal training regime for the Chartered Institute of Purchasing and Supply qualification has commenced for members of the Corporate Procurement Unit, as per recommendations of the McClelland Report. Successful results have been achieved by these Officers, to date.
- A Sustainable Procurement Policy has been developed and was approved by the Council on 31st of January 2007.
- Tenders for seven projects are currently in development with the Departments.

3.4 The Review of Public Procurement in Scotland Report and recommendations by John F. McClelland focus concentration on the procurement "maturity" of public sector organisations. For the Council to achieve what is considered within the report to be the 'minimum level of conformance' with regard to procurement attributes and performance a number of additions were required to be incorporated within the corporate strategy. One such addition is the creation of a Network of Procurement Officers within the Council. This "Network" which will be in place by the end of March 2007, will include all Officers that have any involvement in Procurement activities for the Council and will have formal delegated authority to act on behalf of the Council in Procurement related matters.

3.5 Areas that will be developed in the forthcoming year include:

- eProcurement: the Council has approved a Capital Funding bid of £100,000 for the adoption of the eProcurement Scotl@nd solution, described as "the common platform for electronic procurement in the Public Sector in Scotland" by John F. McClelland.
- Evolution of Scotland Excel (previously *abc*), acting as the Centre of Procurement Expertise for Scottish Local Authorities, developing collaborative communities across the 32 Councils and delivering significant savings.

- The Council website will include a dedicated section providing up to date information on current and forthcoming contract opportunities for the local business community.
- The formal adoption of a Benefits Tracking tool to provide a transparent audit trail relating to savings and benefits accruing across the Council.
- A Procurement review plan for year 2007/08 will be presented to the Corporate Management Team during April 2007.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 Savings target exceeded for year 2006/07.

6. Risk Analysis

6.1 No formal risk analysis has been carried out.

7. Conclusions

7.1 Good progress has been made in line with the Corporate Procurement Strategy to date, and progress continues to be maintained.

7.2 A review of the Corporate Procurement Strategy has taken place to establish the “fit” with the recommendations from the McClelland Report. It is established that a formal revision of the Corporate Procurement Strategy is required, in year 2007/08.

8. Recommendations

8.1 **The Committee is invited to note the report and instruct that a formal revision of the Corporate Procurement Strategy takes place to embrace recommendations from the McClelland report.**

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Date: 20 March 2007

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Appendix: Strategy Objectives – Current Status

Background Papers: Corporate Procurement Strategy
McClelland Review of Public Procurement in Scotland
(The McClelland review can be accessed through the
Council's Corporate Procurement intranet site)
Scotland Excel/EGF2 stage 2 bid
Corporate Services Committee Report of 28th June 2006

Wards Affected: No wards affected