

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee – 16 February 2011

Subject: Local Procurement

1. Purpose

- 1.1** This report advises Members of options for developing the Local Procurement Policy to provide a more integrated approach to engaging with the local business community.

2. Background

- 2.1** A Local Procurement Policy was approved by the Corporate and Efficient Governance Committee in March 2010. It provided information for suppliers on how purchasing is carried out in the Council and how to access Council and wider collaborative opportunities.
- 2.2** There has been less progress than expected on the implementation of the policy as many of the actions have yet to be embedded in the operational procedures of buying departments. It is clear that a co-ordinated approach involving a number of cross-departmental stakeholders will be essential if further progress is to be made.
- 2.3** The achievement of social benefit in our procurement activities remains a high priority and, therefore, it is necessary to re-consider actions that can realistically be taken to deliver sustainable benefit and incorporate these into a policy for supporting local businesses.
- 2.4** This report outlines some proposals for inclusion in the revised policy for approval by Members.

3. Main Issues

- 3.1** The legal and regulatory framework governing public procurement activities means that suppliers in the local area have to be treated in exactly the same way as other suppliers in tender evaluations. No added marks can be awarded simply because they are based in West Dunbartonshire.
- 3.2** For tendered activity, therefore, the focus is very much on ensuring that local suppliers know where to look for opportunities and that they understand how to prepare their tender responses to give them the best chance of success. This can be achieved through the provision of advice and training at supplier events and provision of published material to support this process.

- 3.3 There is also a need to consider if tender documents and pre qualification questionnaires can be tailored to ensure they are appropriate and proportionate and also, if lotting can be used to break a requirement into smaller parts so that smaller or more local suppliers can bid.
- 3.4 For lower value requirements that do not need to be formally tendered, the focus is on ensuring that staff requesting quotations regularly give local companies the opportunity to quote. The use of the Public Contracts Scotland Quick Quote tool will be promoted as the standard means of requesting quotations although it is recognised that there are some requirements e.g. social care that are not appropriate for advertising through this channel.
- 3.5 A full list of proposed actions for inclusion in the policy is attached at Appendix 1. These will be fully discussed with representatives from Legal Services, Economic Development, HEED and CHCP to ensure they can be embedded within operational purchasing procedures and a targeted policy will be produced and circulated to all Council, purchasing staff and local suppliers.

4. People Implications

- 4.1 As the Corporate Procurement Team will play a key part in developing this policy alongside the other departments, consideration will have to be given to the allocation of suitable resources to ensure successful implementation.

5. Financial Implications

- 5.1 There are no financial implications presently identified in relation to this report.

6. Risk Analysis

- 6.1 Maximising supply and contract opportunities for SMEs is part of the Council's wider corporate social responsibilities to the development of the local economy. If we fail to promote the involvement of SMEs in public contracts there is a risk that these responsibilities will not be fully met.

7. Equalities Impact

- 7.1 No significant issues were identified in a screening for potential equality impact of these services.

8. Conclusions and Recommendations

- 8.1 A more targeted version of the Local Procurement Policy needs to be developed with involvement from all relevant departmental stakeholders.
- 8.2 Proposed actions for further discussion and inclusion in the revised policy are outlined at Appendix 1.
- 8.3 Members are asked to approve the actions outlined at Appendix 1 for inclusion in a revised Local Procurement Policy.

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Date: 24 January 2011

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Appendices: Appendix 1 – Proposed Actions for inclusion in revised
Local Procurement Policy

Background Papers: Local Procurement Policy. Corporate and Efficient
Governance Committee 24 March 2010

Wards Affected: All

**Proposed actions for inclusion
In revised local procurement policy**

Appendix 1

Category	Proposed Action	Responsible Officers	Target date for implementation
Contract opportunities	Make the Public Contracts Scotland portal the standard method of advertising all Council contracts and advise all local suppliers to register on the portal so that they automatically receive notification of these.	All departments responsible for advertising contracts. Co-ordinated by Corporate Procurement	31 st July 2011
	Publish all low value requirements (sub £50,000) on the Quick Quote section of the portal and ensure that suppliers in the local post code areas are selected to quote on a regular basis.	All departments responsible for advertising contracts. Co-ordinated by Corporate Procurement	
	Use of lotting – where appropriate, break a requirement into smaller parts so that smaller or more local suppliers can bid.	Corporate Procurement will embed this into procurement guidance to be issued to all procurement practitioners	
Pre Qualification	Tailor pre qualification questions to be appropriate and proportionate to each requirement.	Corporate Procurement will embed this into procurement guidance to be issued to all procurement practitioners	31 st July 2011

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Tender Documents	Tailor tender documents to ensure they are appropriate and proportionate to our requirement.	Corporate Procurement will embed this into procurement guidance to be issued to all procurement practitioners	31 st July 2011
Specifications / award criteria	Creative specifications related to outputs which would be more easily achieved by organisations with a local base e.g. response times and use of environmental criteria (e.g. carbon footprint). Must be directly relevant to contract outcomes.	Corporate Procurement will embed this into procurement guidance to be issued to all procurement practitioners	31 st July 2011
	Further consideration of award criteria i.e. price / quality split and possible use of community benefits clauses.		
Communications	Provision of advice and training on tendering and how to improve chances through regular supplier events. Provision of published guidance material to support this.	Corporate Procurement	Ongoing