



# PROCUREMENT POLICY

## 1 OBJECTIVE

1.1 The objective of the Procurement Policy is:

To ensure a consistent, efficient and best practice approach to procurement across the Comhairle.

1.2 The aims of the Policy are to:

- Ensure that all individuals involved in the procurement of goods services and works have a clear understanding of their role and what is required of them;
- Protect the Comhairle and the officers involved from the risks associated with procurement not being properly conducted; and
- Ensure the outcomes, as detailed in the Comhairle's Procurement Strategy, are achieved.

## 2 SCOPE

2.1 This policy covers all procurement carried out by the Comhairle, namely the acquisition by purchase, lease or other legal means of the goods, works, services and resources required to discharge the Comhairle's functions in an effective, efficient and economic manner.

2.2 There are two types of procurement

- Purchasing; and
- Strategic Procurement

2.3 Purchasing is the process supporting day to day buying, primarily through contracts which the Comhairle or other bodes have put in place.

2.4 Strategic procurement enables the delivery of specified requirements and takes into account legislative requirements, contract and supplier management, the Comhairle's strategic objectives and Procurement Strategy.

## 3 PUBLIC PROCUREMENT

3.1 Public procurement is built on four basic principles:

<b>Transparency</b>	The reasons for procurement decisions must be clear.
<b>Accountability</b>	Decisions can be audited to ensure compliance with the law, regulations and organisational policy.
<b>Fairness</b>	All potential suppliers must be treated the same and contract opportunities must be advertised widely enough to ensure that genuine competition between parties is possible.
<b>Proportionality</b>	The requirements made of potential suppliers must be on a scale which is consistent with the type and size of contract opportunity in question.

- 3.2 The Procurement Reform (Scotland) Act 2014 also includes the requirements for the Comhairle to ensure that all “regulated” procurement (contracts with a value in excess of £50k):
  - Ensures that economic operators are treated equally and without discrimination; and
  - Is carried out in a transparent and proportionate way.
- 3.3 The rules governing public procurement are contained within the European Union Consolidated Public Procurement Directive and the Procurement Reform (Scotland) Act 2015. These determine how public procurement exercises should be carried out and also identify practices that are inappropriate.
- 3.4 Further guidance on public procurement is provided by the Scottish Government through Scottish Procurement Policy Notes (SPPNs) and the Procurement Journey.
- 3.5 Public procurement is carried out in a dynamic environment which is influenced by interpretation of legislation and case law.
- 3.6 Failure to adhere to the provisions of the EU Directive or the Procurement Reform (Scotland) Act may result in legal action against the Comhairle.
- 3.7 By adhering to this policy, the Sustainable Procurement Policy and Procurement Guide, Comhairle officers can help to ensure that the Comhairle fulfils its statutory requirements in relation to procurement.

## **4 GOVERNANCE AND ACCOUNTABILITY**

### Strategic

- 4.1 The remit of the Comhairle’s Policy and Resources Committee includes the formulation and implementation of the Comhairle’s procurement strategy, policies and procedures.

### Corporate

- 4.2 The Director of Finance and Corporate Resources is the lead director for procurement.
- 4.3 The Head of Procurement and Exchequer Services has the responsibility for the development and implementation of the Comhairle’s Procurement Strategy and Policy.
- 4.4 The Corporate Management Team has established the Procurement Steering Group comprising three Directors, the Integrated Joint Board Chief Officer and three Heads of Service to provide procurement governance at an officer level.

## Operational

- 4.5 Six procurement roles are required within the Comhairle to achieve the objectives of the policy namely:

<b>Level</b>	<b>Role</b>	<b>Duties</b>
1a	Purchasing support	Requisitions, orders and goods/service received
1b	Purchase to Pay Administration	Scanning and indexing invoices Automatic processing of low level change orders
2	Officers with procurement competencies	Undertakes procurement processes, with support from the Strategic Procurement team, including: <ul style="list-style-type: none"><li>▪ Authorising purchase orders;</li><li>▪ Ensuring the correct procedure is followed prior to a purchase order being approved;</li><li>▪ Drafting specifications;</li><li>▪ Tender or quotation evaluation; and</li><li>▪ Contract and supplier management.</li></ul>
3	Authorised	Leads complex quotations processes and undertakes procurement strategy development and tendering with supervision and guidance when required from a qualified procurement officer. Advertises contracts on PCS and publishes tenders on PCS Tender. Facilitates or undertakes contract and supplier management.
4	Qualified	Leads procurement strategy for strategic and/or high risk/value contracts and provides expert procurement advice where required. Facilitates or undertakes strategic contract and supplier management.
5	Head of Procurement	Leads the development and implementation of Comhairle-wide strategies, policies and procedures for procurement.
6	Director	Responsible for ensuring compliance with the Comhairle's contract regulations, procurement policies and procedures within their department

- 4.6 Comhairle officers undertaking any of the above procurement roles must be trained to the appropriate level of competency to ensure compliance with the Procurement Policy, Contract and Financial Regulations.
- 4.7 Directors must ensure that the authority to procure is placed with roles at the appropriate level within the organisation.

## **5 PEOPLE AND SKILLS**

- 5.1 Training, guides and procedures will be provided, where appropriate, for all procurement roles.
- 5.2 These resources will take into account legislation, Scottish Government guidance and the Comhairle's Contract and Financial Regulations.
- 5.3 All written resources will be available, in the first instance, through the Comhairle's Intranet Site.
- 5.4 In line with the roles detailed in section 4.5, tendering will only be undertaken by staff deemed to be competent at the authorised or qualified levels.

## **6 THE PROCUREMENT PROCESS**

### Procurement Planning

- 6.1 All departments shall produce a bi-annual procurement plan following the agreement of the Comhairle's revenue budget.
- 6.2 The procurement plan shall detail the procurement arrangements relating to each commodity purchased by the department.
- 6.3 A template will be provided for completion by Departments as part of this process.
- 6.4 A procurement plan for the Comhairle's capital programme shall be produced at the start of each three/four year programme period.
- 6.5 Category plans will be produced bi-annually at a Comhairle wide level.

### Procurement

- 6.6 All procurement shall be carried out in line with the processes detailed in the Comhairle's Contract Regulations and the Procurement Guide.
- 6.7 The Comhairle has adopted the Scottish Government's Procurement Journey and the Scottish Construction Procurement Journey best practice guides and templates, as the basis for all procurement procedures.

### Contract and Supplier Management

- 6.8 All contracts with suppliers will be managed by an appropriate officer either within the service or at a corporate level through the implementation of a Contract and Supplier Management Plan.
- 6.9 Contracts will be assessed to identify the type of contract management required.
- 6.10 Guidance and procedure relating to contract management are provided for this purpose.

### IT Systems

- 6.11 In all but exceptional circumstances, eSourcing and eProcurement IT systems will be used for ordering, seeking quotations and tendering.

### Performance Management

- 6.12 Procurement performance will be managed through an agreed set of performance indicators.
- 6.13 Procurement scorecards will be produced on a regular basis at Comhairle-wide, category and departmental level to assist in target setting, monitoring and accountability.

## **7 COLLABORATION**

- 7.1 The Comhairle will seek to collaborate with other public sector organisations where best value can be demonstrated.
- 7.2 Collaboration at a UK (Crown Commercial Services), national (Scottish Government), sectoral (Scotland Excel), regional and local level will be considered for all commodities being procured.
- 7.3 Internal collaboration will be pursued where more than one service requires a commodity to ensure compliance with procurement legislation and best value is secured.
- 7.4 Where a national contract exists for a commodity, express permission from the relevant Director will be required for any off contract spend, ideally following consideration by the Procurement Steering Group.

## **8 SUPPLIER ENGAGEMENT AND MANAGEMENT**

- 8.1 The Scottish Government's *Suppliers Charter* which was approved by the Comhairle in June 2008.
- 8.2 Every attempt shall be made to ensure that islands-based third sector, small and medium sized enterprises are aware of the Comhairle's procurement processes and how to engage with them.
- 8.3 All contracts being tendered will be advertised on the Public Contracts Scotland Portal.
- 8.4 Contract packaging will be undertaken bearing paragraphs 8.1 and 8.2 in mind.

## **9 SUSTAINABLE PROCUREMENT**

- 9.1 All procurement activity will be carried out in line with the Sustainable Procurement Policy which will be approved by the Comhairle in addition to this policy.
- 9.2 Whole life costing will be used whenever applicable as part of price evaluation.

## **10 THE PROCUREMENT IMPROVEMENT PROCESS**

- 10.1 The Comhairle shall participate in the any national procurement assessment frameworks which are put in place which are intended to deliver value for money improvement and support increased efficiency across procurement in the Scottish Public Sector.
- 10.2 An action plan shall be presented to the Procurement Steering Group following the completion of any such assessment to ensure that targets for improvement are set.

## **11 MONITORING THE POLICY**

- 11.1 The implementation of this policy will be monitored using the following indicators:
  - a. % spending with suppliers that complies with contract regulations (spend with contracted suppliers)
  - b. % of authorised and qualified staff who have undertaken EU procurement training and
  - c. % of spend undertaken through electronic ordering systems.