

CORPORATE PROCUREMENT



Annual Procurement Report

1st April 2019 – 31 March 2020

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SECTION 1 - INTRODUCTION

- 1.1 Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act) requires East Renfrewshire Council (the Council) to publish an Annual Procurement Report which monitors the authorities regulated procurement activities against its Procurement Strategy 2019-2022. Regulated procurement refers to any procurement above £50,000 for goods and services, or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.

This report provides an opportunity for the Council to demonstrate to our stakeholders that our procurement spend is being used to achieve not only best value but also the Council vision of being modern and ambitious to create a fairer future with all.

- 1.2 The Annual Procurement Report is a mandatory requirement of the Act and must include

- A summary of the regulated procurements that have been completed during the year covered by the report,
- A review of whether those procurements complied with the authority's Procurement strategy,
- The extent that any regulated procurements did not comply, and a statement of how the authority intends to ensure that future regulated procurements do comply,
- A summary of any community benefit requirements delivered as part of a regulated procurement that were fulfilled during the year covered by the report
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- A summary of the regulated procurements the authority expects to commence in the next two financial years,
- Such other information as the Scottish Ministers may by order specify.

- 1.3 The Annual Procurement Report also details initiatives being developed to further improve the performance of the Corporate Procurement Unit in line with the procurement vision for the Council which is:

“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”

- 1.4 East Renfrewshire Council's vision for the future is to be a “modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better”. The Council has 5 Strategic Outcomes where we are working across East Renfrewshire to achieve best Outcomes for:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People and People with Long-Term Conditions

- 1.5 The Council also has outcomes relating to Customer, Efficiency and People which are captured under the Strategic Outcome “Our Council is forward thinking and high performing”. Corporate Procurement has an important role to contribute to the following:

- Customer: Satisfied customers access services that meet their needs
- Efficiency: Our physical, information and financial assets are efficiently managed
- People: We have engaged employees who are motivated to deliver our outcomes

1.6 In order to deliver on these Strategic Outcomes, 5 Capabilities have been identified to provide the necessary skills required. These are:

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

1.7 Corporate Procurement can play an important role in achieving the Council's Strategic Outcomes and provide key skills contributing to the 5 Capabilities as detailed below:

- **Prevention** – we will collaborate with Services across the Council with a focus on preventing poor outcomes for our residents and providing planned rather than reactive services. We will seek to maximise opportunities for collaboration and using an evidence based approach to designing services.
- **Community Engagement** – we will utilise innovative approaches to engage our communities and to prioritise the allocation of resources. We will explore ways in which contractors, commissioned partners and communities can work in partnership with us to deliver outcomes.
- **Data and Evidence** – we will utilise spend data, market analysis and build positive relationships and networks with key stakeholders to ensure an evidence based approach to strategic procurement and identifying efficiencies
- **Modernising How We Work** - we will focus on modernising our processes to avoid unnecessary approvals, duplication and manual processes. We need to ensure Corporate Procurement meets the current and future needs of the Council and greater focus should be placed on Contract and Supplier Management to ensure best value is achieved from our contracts throughout their lifecycle.
- **Digital** – we will harness the potential from the new “Core Systems” and ensure that the full purchase to pay processes throughout the Council are modern, digital and efficient.

SECTION 2 - SUMMARY OF REGULATED PROCUREMENT

- 2.1 Section 18 (2) (a) of the Procurement Reform (Scotland) Act 2014 requires Councils to include a summary of the regulated procurements that have been completed during the year covered by the report.
- 2.2. Regulated procurement refers to any procurement above £50,000 for goods and services, or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.

2.3 The number of regulated procurements carried out during the financial year 2019/20 was 25 with a total value of £42,078,583. It should be noted that this figure does not include departmental call offs from existing Framework Agreements which were awarded out with the period of this report.

2.4 A listing of all regulated procurements from Financial Year 2019/2020 can be found at **Appendix 1**.

SECTION 3 REVIEW OF REGULATED PROCUREMENT COMPLIANCE

3.1 Corporate Procurement Strategy

The Corporate Procurement Strategy has set out 5 key procurement aims which will help to deliver operational and strategic procurement outcomes for the Council and are aligned to the Council's capabilities:

Improved Leadership and Stakeholder Management – Through identifying and building relationships with key strategic and tactical stakeholders across the organisation procurement can build an understanding of current and future requirements and add value as part of a category management approach.

Compliance with Legislative and Statutory Duties with Improved Governance - Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, fair and ethically traded goods and services, community health and wellbeing and animal welfare in procurement of food.

Strategic Procurement Which Identifies Opportunities and Savings – To deliver a category management approach to strategic procurement which supports a commercial focus across the organisation and identifies savings and opportunities throughout the full procurement journey.

Performance Reporting Being Used to Drive Performance -To use an evidenced based approach to provide visibility of key performance information which supports informed decision making around the current and future direction of Corporate Procurement.

Improved Sustainable Procurement and Community Benefits - Focus on sustainable procurement including innovative use of Community Benefits clauses, economic development and consideration of social responsibilities

3.2 In 2019/20 the Council has ensured that all regulated procurements comply with both the Council's Procurement Strategy and all relevant legislation. A summary of work carried out for each of our key procurement aims in 2019/20 is provided below.

Improved Leadership and Stakeholder Management

- A Category based Stakeholder Engagement Plan has been developed and Corporate Procurement is now embedding as Business As Usual effective relationships with strategic and tactical stakeholders.
- Corporate Procurement Team have undergone Scotland Excel Training on "Managing Effective Stakeholder Relationships" and "Contract and Supplier Management, and Category Managers have commenced the SQA Accredited Personal Development Award in Project Management.
- New Corporate Procurement Intranet pages have been launched which are much more user focused and provide video presentations to highlight the added value provide by Procurement.
- A staff survey was issued to identify the focused areas of procurement where training is required across the Council and a programme is currently being developed

Compliance with Legislative and Statutory Duties with Improved Governance

- The Council has continued to fulfill its obligations in relation to Procurement

legislation

- Standard Operating Procedures (SOPs) have prepared for key procurement processes and this will continue in 2021 as further processes are reviewed
- Council Standing Orders were updated to amend the Quick Quote threshold for works, reflecting implications of COVID19 on the Construction Sector.

Strategic Procurement which Identifies Opportunities and Savings

- Improved Stakeholder Relationships have ensured an improved understanding of the procurement pipeline in order to support the Chief Procurement Officer to manage the capacity of the Service effectively
- An options appraisal for the implementation of a corporate approach to Contract and Supplier Management has been prepared for consideration.
- The Chief Procurement Officer and Category Managers are represented on and have attended a number of regional and national procurement forums
- Corporate Procurement Team have undertaken training on spend analysis using the Scottish Procurement Information Hub.

Performance Reporting being used to Drive Performance

- A new process for the tracking of the benefits from procurement activity has been implemented and a number of savings opportunities have been presented.
- A new Online Contracts Register is currently being User Acceptance Tested by Corporate Procurement before being implemented and which will be accessed across the Council.
- Category Managers have begun using spend analysis to create spend information dashboards to support relationships with services. This will continue to be embedded in 2021.

Improved Sustainable Procurement and Community Benefits

- The Council has signed up to the “Grow Local” project which uses the Scottish Procurement Information Hub to provide data relating to the local supply base
- A new process for the identification and capture of Community Benefits has been approved by CMT for implementation working in partnership with Economic Development
- Corporate Procurement attended the Supplier Development Programme “Meet the Buyer Event” and also participated in “Twitter Takeover” in the absence of the ability for face to face local events due to COVID19
- A new Council Sustainability policy has been developed and approved.
- Procurement is leading work with the aim of achieving Real Living Wage accreditation for the Council
- The Council has agreed to sign up to the Charter Against Modern Slavery which requires the Council to undertake a number of actions in this area.

The Procurement Strategy 2019-2022 identifies a number of actions and expected outcomes aligned to our 5 key procurement aims. The Strategy will be reviewed on an annual basis to drive continuous improvement.

SECTION 4 COMMUNITY BENEFITS SUMMARY

- 4.1 Section 18(2) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for the Annual Procurement Report to include a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
- 4.2 In October 2014 Cabinet approved the sustainable procurement policy which covers both community benefits and sustainability. The Council's commitment to this is demonstrated not only through the policy but also within the Corporate Procurement Strategy and Contract Standing Orders.
- 4.3 In 2019/20 a new East Renfrewshire Council Community Benefits group was established to ensure accountability in the Community Benefits process.
- 4.4 A new and improved process for the identification and capture of Community Benefits will be implemented in 2020/21 and will include an innovative and interactive Community "wishlist" which will ensure Community Benefits match the aspirations of local communities.
- 4.5 Community benefits are sought for applicable contracts where both the value (over £50,000) and duration of the contract merit a benefit being pursued. It is at the contract strategy development stage that community benefits are to be considered and then reflected into the tender documentation.
- 4.6 The approach taken by the Council has been beneficial when developing the Glasgow City Region City Deal Community Benefits Policy. The Council has also been working to ensure that Community Benefits are better aligned to strategic and Scottish Government priorities such as the Local Outcome Improvement Plans, Child Poverty Action Plan and Regional Skills Investment Plan and has participated in the review and joint approach to a regional community benefits menu.
- 4.7 Community Benefits from City Deal and major capital contracts in financial year 2019/20 include 10 new entrant jobs, 11 work experience placements, a range of employability activities including developing Young Workforce support and a combined total of £15,000 donations to community projects.
- 4.8 Heron Bros were appointed to build 5 new early years facilities offering community benefits that exceeded the requested amount. Along with a commitment to provide 4 new entrant jobs they have worked with Education to provide a suite of support for each of the school cluster areas that they are working in. This has ranged from construction skills activities to donations of materials for outdoor play. They also donated £5,000 from their community fund to local initiatives and the equivalent of £5,000 of in-kind support which included materials and time towards a town center regeneration project in Busby.
- 4.9 A summary of Community Benefits that were secured in financial year 2019/20 can be viewed in **Appendix 2**.

SECTION 5 SUPPORTED BUSINESS SUMMARY

- 5.1 The Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.
- 5.2 The Council supports the use of supported businesses and will promote their use where it is appropriate. This can be demonstrated through:
- The adoption of a low value ordering process that encourages the use of supported business for non-regulated requirements.
 - The procurement intranet pages host supported business information to increase awareness across the council.
 - The contract strategy development stage considers supported business and third sector organisations as part of the market research stage.
- 5.3 The Council previously placed orders with Lady Haig's Poppy Factory and Hansel Alliance, RSBI, Aspire Community Solutions and Greenhouse Cafe.

SECTION 6 FUTURE REGULATED PROCUREMENT SUMMARY

6.1 The following future Regulated Procurements are currently within the pipeline of projects to be delivered over the next two financial years.

It should be noted that all information is indicative and may be subject to change.

Tender Title / Subject	Estimated Value	Commencement Timescale
Library Kiosks	£70,000	FY 20/21
Library Management System	TBC	FY 20/21
Reverse Vending Machines	£50,000	FY 20/21
Peer research in Addiction Services	£60,800	FY 20/21
Supply & Delivery of Interactive Screens	£140,000	FY 20/21
Clerk of Works for New Build Housing Projects	£148,900	FY 20/21
Taxis for schools (additional support needs)	£377,639.47	FY 20/21
Employers Agency Services for New House Build	£305,477.46	FY 20/21
Smoke, Heat and CO2 detector Alarms	£779,909.88	FY 20/21
Healthy Minds Services	TBC	FY 20/21
Residual Waste & Household Recycling	£55,000	FY 20/21
Greenhags – Waste Management Transfer Station	£1,430,250	FY 20/21
Sport Pitch Maintenance Materials	£172,000	FY 20/21
Hire of Loading Shovel	£120,000	FY 20/21
Body Repair for Vehicles	£144,000	FY 20/21
Purchase of Post-Consumer Waste Paper & Cardboard	Income	FY 20/21
Disposal of Road Work Materials	£140,000	FY 20/21
Purchase Glass, Cans and Plastics	Income	FY 20/21
Land Disposal Barrhead South – Services	£115,250	FY 20/21

Replacement Boilers	£805,202	FY 20/21
Multi Trade – Measured Term Contract	£1,000,000	FY 20/21
Arthurlie Family Centre Demolition and Build of Car Park	TBC	FY 20/21
Gas Maintenance Housing – Measured Term contract	£620,000	FY 20/21
Neilston School – Design Team	£2,069,206	FY 20/21
Neilston School – Construction	£20- £25m	FY 20/21
Mechanical & Electrical Design and Consultancy	£250,000	FY 20/21
Supply & Install of Bathrooms	£1,050,000	FY 20/21
Supply of Kitchen Units	£500,000	FY 20/21
Provision of Read Only Licence Archiving Licence for HR & Payroll System - Resourcelink	£134,400	FY 20/21
Renewal of GIS Mapping Software products & Services	£86,163	FY 20/21
Installation & Maintenance of Webcasting	£50,000	FY 20/21
Mobile Voice & Data	£388,000	FY 20/21
Occupational Health Services	TBC	FY 20/21
Telecare Call Handling and Recording System	£125,000	FY 20/21
Council Tax and Benefits Management System	£175,000	FY 20/21
Secure Cash Uplift & Change Facility	£120,000	FY 20/21
Leisure Management System	TBC	FY 20/21
IDOX Planning Software	£55,000	FY 20/21
Aurs Road Boardwalk & Realignment	£9,000,000	FY 20/21
Barrhead South Train Station – Transport Appraisal	TBC	FY 20/21
Workplace Training Calendar	£75,000	FY 20/21
Hire of Commercial Laundry (sheltered complexes)	£80,000	FY 20/21
Outdoor Exercise Equipment – Aurs Drive	£55,000	FY 20/21
Winter LED Festive Lighting	£79,594	FY 20/21

Consultant for Business Gateway Services	£218,932	FY 20/21
Managed Print Services Corporate & Education	£1,211,381	FY 20/21
Youth Counselling Services	£360,000	FY 20/21
Roof & Render Programme	£750,000	FY 20/21
Drainage works – Measured Term Contract	£240,000	FY 21/22
Collect & Recycle Wood, Chipboard & MDF (Mixed)	£58,500	FY 21/22
Road Vehicle Restraint Systems	£60,000	FY 21/22
Supply and Delivery of Interactive Screens	£300,000	FY 21/22
Street Lighting Installation & Maintenance	£2,400,000	FY 21/22
New Build Housing – Barrhead Rd Newton Mearns	£3,000,000	FY 21/22
New Build Housing - Commercial Rd Barrhead	£9,750,000	FY 21/22
Call Warden Handling System	£207,500	FY 21/22
Annual Boiler Maintenance	£900,000	FY 21/22
Social Care Case Management System	TBC	FY 21/22

Appendix 1

Project Title	Project Reference	Type	Contract Award Date	Contract End Date	Contract Value (Not including extension option)	Supplier Name
Supply & Delivery of Fresh Fruit & Vegetables	CE 19 20 001	Goods	21/10/2019	20/10/2021	£163,313	Failte Foods
Supply and Delivery of Bottled Water, Water Coolers and Associated Consumables	MC 19 20 003	Goods	25/05/2019	24/05/2022	£138,000	Eden Springs UK Ltd
Supply, Installation and Maintenance of Traffic Signals	CE 19 20 004	Services	29/07/2019	28/07/2023	£565,144	Dynniq UK Ltd
Winter Maintenance & Gritting	CE 19 20 005	Services	14/10/2019	13/10/2021	£600,000	Mitie Landscape & WM Lambie
To Collect & Recycle or Dispose of Household Waste Recycling Centre Residual Waste - Barrhead	MC 19 20 006	Services	1/07/2019	30/06/2020	£240,000	Lowmac Alloys
Revenue & Benefits System	MC 19 20 010	Services	02/09/2019	01/09/2024	£699,700	Northgate Public Services
Transport of School Children with Additional Support Needs and/or Medical Needs (and escorts	MC 19 20 018	Services	19/08/2019	18/08/2023	£174,886	Various

Provision of Advocacy Services	CE 19 20 019	Services	13/11/2019	12/11/2022	£600,000	The Advocary Project, Who Cares Scotland & Partners in Advocacy
Contract Administrator & Site Supervisor for Balgraystone Road	DB 19 20 022	Services	16/04/2019	22/12/2022	£146,659	AECOM
Cyber Security Operation Centre	MC 19 20 024	Services	30/03/2020	29/03/2021	£59,865	Quorum Cyber Security Ltd
Route Optimisation Solution	MC 19 20 026	Services	04/11/2019	03/11/2022	£221,510	Webaspx Ltd
MTC Electrical Works	CE 19 20 031	Works	02/12/2019	01/12/2021	£ 2,000,000	Valley Electrical Services Ltd
Health & Safety Quality Management System	DB 19 20 036	Services	11/09/2019	10/09/2022	£ 112,500	Alcumus Info Exchange
Headstone Stability Testing (ToppleTesting)	DB 19 20 044	Services	02/10/2019	31/03/2020	£110,000	Memsafe Ltd

Arboricultural Works	CE 19 20 049	Services	01/03/2020	28/02/2023	£900,000	Ayrshire Tree Surgeons & Caledonian Tree Services
Audio Visual Equipment	MC 19 20 051	Goods	01/02/2020	29/03/2019	£ 392,781	SSUK Ltd
Control Management and Testing of Legionella	CE 19 20 053	Services	01/04/2020	01/02/2022	£391,556	WQS Ltd
Supply and Delivery of Sports Pitch Maintenance Materials & Weed Control	CE 19 20 055	Goods	01/06/2020	01/06/2020	£129,000	Rigby Taylor Ltd
ICT Infrastructure at Greenlaw Business Estate	DB 19 20 056	Services	23/12/2019	22/12/2020	£83,772	BT
Data Storage Solution	DB 19 20 062	Services	01/02/2020	31/01/2025	£147,577	European Electronique Ltd

Provision of Income Management System (ICON) including Support & Maintenance.	DB 19 20 074	Services	30/01/2020	31/10/2023	£339,957	Civica
Early Learning & Childcare Expansion	CE 18 19 031	Works	23/4/19	29/7/20	£19,922,363	Heron Bros Ltd
Coal Tar Testing	CE 18 19 035	Services	1/4/19	31/3/22	£800,000	Stanger Testing Services, Pavement Testing Services, Socotec UK Ltd
Roads Resurfacing Programme	CE 18 19 028	Works	4/6/19	31/3/2022	£13,000,000	Mac Asphalt, Finco, JH Civil, Hamilton Tarmac, Hillhouse Quarry
E-financials Read Only Licence	DB 19 20 038	Services	19/8/19	31/3/2027	£140,000	Advanced Business Solutions

Appendix 2

Community Benefits from City Deal and Major Capital Programme 2019-20				
Benefit Category	East Renfrewshire City Deal	Heron Bros Early Years Construction	Pro Cast Housing Roof and Render	Fleming Builders Cross Arthurlie Primary Extension
New Entrants – Priority Employability Groups				1
New Entrants	2	2		
New Start - Apprentice or Graduate	1	4		
Completed or Progressed Apprentice		1		
Work Experience Placement (16 + years of age)	1	5	2	2
Work Experience Placement (14 - 16 +years of age)		1		
Careers Event	2	3		
Site Visit, School or Further Education Engagement	11	5	2	5
Contractor/Sub Contractor/Specialist Training Qualifications				1
Supply Chain Briefing with SME's	1	1		
Financial Support for a Community Project	£2000	£5000		
Non-Financial Support for a Community Project	1	5	1	1
Business Mentoring for an SME				
Voluntary Community Benefit		Charity fundraiser		Doubled contractual commitment