

**TAYSIDE PROCUREMENT
CONSORTIUM**

**PROCUREMENT ANNUAL REPORT
2014/15
&
SUMMARY OF TPC BUSINESS
PLAN FOR 2015/16**

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INTRODUCTION

Acronyms Explained	
BPIs	Best Practice Indicators
CBiPs	Community Benefits in Procurement
CSM	Contract & Supplier Management
Excel	Scotland Excel – Local Authority Centre of Procurement Excellence
PCA	Procurement Capability Assessment
PCS	Public Contracts Scotland - a national contracts advertising portal
PCS-T	E-Tendering system provided by Scottish Government
PECOS	Professional Electronic Commerce Online System
P2P	Purchase to Pay processes
SLGPF	Scottish Local Government Procurement forum
SPCD	Scottish Governments' Procurement and Commercial Directorate
Spikes	Spikes Cavell – an information hub containing procurement management information
TOPiC	Tayside Opportunities for Procurement in Collaboration (a forum comprising the 3 Tayside Councils, Tayside Contracts, NHS Tayside, Universities of Dundee / Abertay, Dundee & Angus College)
TPC	Tayside Procurement Consortium
UIG	User Intelligence Group

ANNUAL REPORT 2014/15 ; A SUMMARY

TPC OBJECTIVE 1: PROCUREMENT LEADERSHIP & GOVERNANCE

- Continued procurement reform is evident within the organisations
- A collaborative procurement approach is evident within the Tayside Councils

TPC OBJECTIVE 2: PROCUREMENT STRATEGY & OBJECTIVES

- A Procurement Strategy is in place
- The procurement strategy has been communicated to and is understood by Council officers.
- Corporate Social Responsibility initiatives are promoted in our procurement approach.

TPC OBJECTIVE 3: SPECIFICATION

- Delivered efficiency through collaborative procurement
- Effective demand management process in place.
- Used PCS to advertise all our contract opportunities
- Improved local market engagement through 'meet the buyer' events

TPC OBJECTIVE 4: SOURCING STRATEGIES

- Reviewed and updated of our governance documents
- Embedded an approach to Sustainable Procurement
- Increased volume of collaborative procurement activity.

TPC OBJECTIVE 5: CONTRACT AND SUPPLIER MANAGEMENT

- On contract spend increasing
- Increased use of PCST
- TPC Contracts all have contract management in place.

TPC OBJECTIVE 6: PROCESS AND SYSTEMS

- All TPC contracts advertised on Public Contracts Scotland
- PCST rolled out and embedded within the TPC

TPC OBJECTIVE 7: PEOPLE

- All TPC team MCIPS
- Procurement training delivered.

TPC OBJECTIVE 8: PERFORMANCE MEASUREMENT

- Annual report details the progress made against agreed objectives.

PERFORMANCE AGAINST TPC ACTION PLAN

TPC Objective: 1

Procurement Leadership & Governance

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Procurement reform is embedded within the organisation Head of Procurement TPC	Appropriate TPC management group to secure on-going delivery of procurement reform in the TPC and the Councils	TPC Management Group established and meeting regularly	In place (since 2011)	→	The TPC Procurement Management Team, comprises managers from each Council and TPC meets monthly. Procurement Steering Group meets every 2 nd month.
TPC Procurement Strategy 2011-15	On-going assessment that the outcomes recommended by the McClelland are being delivered Head of Procurement TPC	Procurement Capability Assessment	Improving PCA score	Not applicable in 14/15		The PCA score in each organisation has increased year on year from 2009 'til 2013. The Councils chose not to have a PCA in 14/15. The next assessment (under a new Scottish procurement performance assessment regime) is scheduled for 2016.
TPC Procurement Strategy 2011-15	Ensure TPC is embedded across the organisation Head of Procurement TPC	Increase in collaborative activity	An increase in collaborative contracts available year on year	Increased year on year since 2010	↑	At present a portfolio of 109 collaborative contracts are available for use by the Council. This compares with a figure of 107 in 2013/14.

TPC Objective: 2

Procurement Strategy & Objectives

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Ensure the Procurement Strategy is embedded within the organisation Head of Procurement TPC	Procurement strategy in place and approved by Council	Strategy approved	In place	➔	The 2011-15 strategy was approved by the appropriate committee at each of the three Tayside Councils and all improvement work is based on that approved report.
TPC Procurement Strategy 2011-15	Ensure all services are aware of the strategy Head of Procurement TPC	Published on intranet and internet, and communicated to all SMT's	Published on intranet and internet, and communicated to all SMT's	In place	➔	The 2011-15 strategy was approved by the appropriate committee at each of the three Tayside Councils and all improvement work is based on that approved report
TPC Procurement Strategy 2011-15	Promote Corporate Social Responsibility Head of Procurement TPC	Sustainable Procurement Policy in place	Policy approved and acted on	Approved Sept 2012	➔	TPC created a sustainable procurement policy for the Councils. Policy has now been approved in all 3 Councils.
TPC Procurement Strategy 2011-15	Contracts Database Head of Procurement TPC	Contracts in place for the TPC is recorded on a contracts database	A TPC contract register is in place	In place	➔	A TPC Contracts register is in place on the National Information Hub.

TPC Objective: 3 Specification of Goods and Services

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Contracts opportunities will be advertised on PCS Head of Procurement TPC	Number of documents published on PCS (national advertising portal for contracts)	Uplift year-on-year	Achieved	↑	All TPC contract opportunities now advertised on PCS - use of PCS is now embedded within our processes.
TPC Procurement Strategy 2011-15	Supplier Development Head of Procurement TPC	Hold meet the buyer events at least 4 times per annum	4 times per annum	Achieved	↑	Meet the buyer events held each quarter between April 2013 and March 2014. Local supplier workshops and 1-2-1 surgeries have also been held.
TPC Procurement Strategy 2011-15	User Intelligence Groups established for commodity activity Head of Procurement TPC	UIGs to exist for each collaborative contract managed by TPC	100%	100%	→	UIGs are in place for all Category A, B and C1 contracts.
TPC Procurement Strategy 2011-15	CSM Training Head of Procurement TPC	Contract management approach in place for TPC officers	Training package to be completed	100%	↑	CSM training package delivered to all TPC officers

TPC Objective: 4

Sourcing Strategies

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Commodity Strategies in place for commodity activity Head of Procurement TPC	Commodity strategies in place for all TPC contracts	100%	100%	↑	Commodity strategies are now in place for TPC Contracts. A significant focus in 2014/15 was the consistent use of this practice to ensure that contract objectives and outcomes are clear in contract documents and contract management requirements are explicit.
TPC Procurement Strategy 2011-15	Update governance – contract rules and procurement guidance Head of Procurement TPC	TPC contract rules and procurement guidance updated to reflect requirements of the Public Contracts Scotland Regulations 2012	Guidance updated	Complete	↑	Completed Ongoing review as the Procurement Reform Bill comes into effect and the new EU Directive is embedded in Scots Law. Will need to be re-done post the implementation of the Procurement Reform (Scotland) Act 2014
TPC Procurement Strategy 2011-15	Promote Sustainability Head of Procurement TPC	Create a Sustainable Procurement policy	Committee Approved Sustainable Procurement Policy	Complete	↑	The Sustainable Procurement Policy has been the basis on which Community Benefits guidance has been created and work to ensure this is applied as appropriate is ongoing.
TPC Procurement Strategy 2011-15	Increase collaboration Head of Procurement TPC	Engage with the work of the TOPiC Group	1 event per quarter	In place	↑	HoP TPC is chair of TOPiC group 3 operational contracts in place between the organisations and 4 collaborative supplier engagement events held.
TPC Procurement Strategy 2011-15	Increase collaboration Head of Procurement TPC	Increase the number of C1 (tri-council) contracts in place	Uplift year on year	Achieved	↑	The number of local collaborative contracts has increased year on year since March 2011.

TPC Objective: 5

Contract and Supplier Management

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	TPC On and off contract spend monitored by e-procurement teams. Head of Procurement TPC	% of procurement spend supported by a contract	100%	Achieved	↑	100% of Cat C1 procurement spend managed by TPC has a contract and is monitored. Cat B on contract spend is monitored quarterly. Actual performance on use of these contracts and spend compliance is monitored locally in each Council. .
TPC Procurement Strategy 2011-15	Contract migration plans in place for each collaborative contract Head of Procurement TPC	% of collaborative contracts that have a roll out / migration plan	100%	100%	→	All collaborative contracts are rolled out on an appropriately managed basis.
TPC Procurement Strategy 2011-15	Management information up to date and accurate. Head of Procurement TPC	National Best Practice Indicators are uploaded to National Information Hub	100%	100%	→	TPC information is uploaded to the procurement information hub and is available for inclusion in BPI reporting

TPC Objective: 6

Process and Systems

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Use of PCS	PCS	All contract opportunities advertised on PCS	100%		All TPC contract opportunities are advertised on Public contracts Scotland
	PCS – T		Increased use of PCST	increase use year on year		PCST is used where appropriate on Cat C1 tenders

TPC Objective: 7

People

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011-15	Deliver procurement training to TPC team . -EU refresher -National tools, -Contract mgt. -Sustainability. Head of Procurement TPC	All TPC officers to have attained their chartered status and be MCIPS qualified	4	100%	↑	All of the TPC officers have achieved their chartered status and are now MCIPS qualified. Officers have also received refresher training over the reporting period.
TPC Procurement Strategy 2011-15	Maintain elected member & senior management current procurement awareness Head of Procurement TPC	Reports to Committee and Corporate Management Groups annually.	Reporting annually	Complete	→	On-going – TPC reports submitted to SG 6 times per annum. TPC have attended and updated management groups, member officer working groups and committees.
TPC Procurement Strategy 2011-15	Deliver EU regulations training Head of Procurement TPC	At least one annual refresher event for procurement management team	1	1	→	1 x EU Training event held in 14/15.

TPC Objective: 8

Performance Measurement

Policy/ Strategy Area	Action and outcome (Lead responsibility)	Relevant Indicators (Source)	Target	Performance		Comments on performance
					Trend	
TPC Procurement Strategy 2011- 2015	Reporting to Procurement Board	Progress reports	6 reports per annum	Complete	➔	Progress reports are submitted to each Steering Group. Steering Group meets six times per annum.
TPC Procurement Strategy 2011-15	Annual report to Committee Head of Procurement TPC	An annual performance report to Steering Group	Annual report completed	Complete	➔	Annual reports have been submitted each year since 2008. The annual report for 14/15 is submitted to TPC Steering Group in May and will be reported to the appropriate forum in each Council thereafter.

SUMMARY OF TPC BUSINESS PLAN 2015/16

KEY PROGRESS, BUILDING ON TPC ACTIVITY TO DATE.

The following is a summary of planned TPC improvement activities in 2015/16

Key area for improvement carried forward	Linked to which TPC Strategic Priority	Action and outcome (Lead responsibility)	Delivery timescales	Comments
1. Delivery of Local supplier support – 10 point plan	1 - Improving Supplier Access to Public Contracts	Increasing the opportunities for local business to bid for Council work Head of Procurement TPC	On- going with periodic reporting on progress to SG	10 point plan approved by TPC Steering Group. Delivered in 14/15 - continued in 15/16.
2. Community benefits in Cat C1 contracts	3 - Embedding Sustainability in all we do	Deliver Community Benefits through procurement in all appropriate Cat C1 contracts Head of Procurement TPC	On- going with periodic reporting on progress to SG	CBiPS are now included as standard in all C1 contracts where possible. Living wage considerations to be included in all appropriate TPC contracts.
3. Increased collaboration	2. Maximising efficiency and collaboration	Increase the number of collaborative contracts available to the Councils Head of Procurement TPC	April 2016	Number of new C1 collaborative work streams are planned for 15/16, e.g. <ul style="list-style-type: none"> - Roller Doors - Automatic doors - Fire alarms - Air conditioning - Heating - Lift maintenance - Sprinklers systems - Modern Languages Package - Commercial Catering
4 Streamline Process.	2. Maximising efficiency and collaboration	Develop e-procurement tools <ul style="list-style-type: none"> - e-tender - e- commerce Head of Procurement TPC	April 2015 and on-going thereafter	Following implementation of the electronic tendering system, a module to electronically manage contracts will be made available. It is expected that some progress will be made towards implementing the contract management module toward the end of 15/16

Key area for improvement carried forward	Linked to which TPC Strategic Priority	Action and outcome (Lead responsibility)	Delivery timescales	Comments
5 Performance review	4. Delivering Savings and Benefits	Support the Councils in the annual Assessment review I Head of Procurement TPC.	April 2016	Assessment expected in quarter 3 2015/16
6. Collaboration	2 Maximising efficiency and collaboration	Review and improve the forward planning and strategic development of contracts. Head of Procurement TPC	June 2015	Reviewed and re-allocated the management responsibility for the TPC commodity profile.
8. Contract Management	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and Benefits	<ul style="list-style-type: none"> Commodity Strategy in place Procurement Journey used PCS-T used where appropriate Head of Procurement TPC	April 2016	All TPC contracts have strategies and all TPC procurement follows the appropriate procurement journey. See improvement action 4
9. Lead on the Consultation responses to the Scottish Governments Procurement Reform Bill	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and Benefits	Co-ordinate implementation plan following the Bill's enactment. Head of Procurement TPC	April 2016	Consultation submitted with respect to the bill. Work is underway to align procurement approach to the expected impact of the Bill.
10. Procurement Reform	1. Improving Supplier Access to Public Contracts 2. Maximising efficiency and collaboration 3. Embedding Sustainability in all we do 4. Delivering Savings and Benefits	Support the bespoke reform projects in the Councils Head of Procurement TPC	Ongoing	Dundee into phase 2 Angus commences May 15 PKC currently at scoping phase