



Procurement Annual Report

31 December 2016 to 31 March 2018

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Definition of Key Terms

Contract.	An agreement between the Council and any Contractor made by formal agreement or by issue of acceptance or an official order for Supplies, Services or Works.
Contractor(s).	Includes any sole trader, partnership or company (limited or unlimited) or any duly incorporated trade, professional or commercial body.
Delegated Authority.	Officers who have been given formal written authority by their Executive Director or Chief Officer to manage procurement exercises within a specified value range on behalf of the Council.
EU Threshold.	The threshold for determining the application of the Regulations. In the case of the Procurement (Scotland) Regulations 2016 the threshold is £181,302 (Supplies and Services) and £4,551,413 (Works). In the case of the Utilities Contracts (Scotland) Regulations 2016 the threshold is £363,424 for Supplies and Services and £4,551,413 for Works.
EU Regulated Procurement.	Goods, Services or Works contracts with a value over the EU Threshold.
Framework Agreement.	An overarching agreement with supplier(s) to establish terms governing individual contracts that may be awarded during the life of the agreement ('call-offs'), concluded in accordance with Section 34 of the Public Contracts (Scotland) Regulations 2015.
Health and Social Care Services.	A public contract or framework for social and other specific services listed in Schedule 3 of the Public Contracts (Scotland) Regulations 2015.
Life-Cycle Costing.	All consecutive or interlinked stages, including research and development to be carried out, production, trading and its conditions, transport, use and maintenance, throughout the existence of the product or the works or the provision of the service, from raw material acquisition or generation of resources to disposal, clearance and end of service or utilisation.

Procurement.	The process leading to the award of a public contract or framework agreement or establishment of a dynamic purchasing system for the acquisition of works, supplies or services from an economic operator.
Public Contracts Scotland portal.	The Scottish Government's official national advertising portal for public sector contract opportunities https://www.publiccontractsscotland.gov.uk/ .
Quick Quote (QQ).	An online quotation facility which allows the Council to obtain competitive quotes electronically for: <ul style="list-style-type: none"> • Low value requirements between £10,000 and £50,000; and • Unregulated Works Contracts, depending on complexity of contract.
Quotation.	A formal offer to supply or purchase supplies, execute works or provide services where the estimated value of the contract does not exceed £50,000.
Regulated Procurement.	As defined by the Procurement Reform (Scotland) Act 2014 and referred to as the Reform Act 'slice' a regulated procurement for Goods or Services Contracts with a value of over £50,000 and for Works Contracts over £2,000,000 and less than the relevant Official Journal of the European Union (OJEU) Thresholds.
Regulations.	The Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and / or the Concession Contract (Scotland) Regulations 2016 as the context requires, but where the Council is acting as a Harbour Authority and chooses to do so, the Utilities Contracts (Scotland) Regulations 2016.
Supplies.	Goods or the hire of goods and for any siting or installation of those goods.
Tender.	A formal offer to supply or purchase supplies, execute works or provide services where the estimated value of the contract is £50,000 (excluding VAT) or more.

Unregulated Works Procurement.	A contract for Works with a value of between £50,000 and £2,000,000, being a procurement not covered by the Regulations and procured utilising the Council's database of pre-approved contractors.
Works.	Building construction, building maintenance or engineering works.

Introduction

Orkney Islands Council ('the Council'), providing a range of facilities and services to a community with a population in excess of 21,400 (2011 census population figures) and growing. The Council is also the Harbour Authority with a port estate of 29 piers and harbours, a Roads Authority for the islands and operates a network of internal air and ferry services.

The Council provides procurement and related services for a wide range of Works, Supplies and Services with an annual spend, for the financial years 2016 to 2017 and 2017 to 2018, of just under £41 million and £44 million respectively.

The Council operates a devolved model of procurement across five directorates. The central Procurement Services Team is based within Corporate Services and consists of three full-time equivalent staff; a Procurement Manager, a Procurement Officer and an Assistant Procurement Officer. The Procurement Manager's responsibilities include development of a network of 22 trained and experienced Officers across the Council who are assigned delegated responsibility for the procurement of supplies, services and works.

The Council published its Procurement Strategy, as required by the Procurement Reform (Scotland) Act 2014, in December 2016. In order to report compliance with its Procurement Strategy and the Act itself, the Council must publish an Annual report.

There are 11 themes identified in the Procurement Strategy for the period ending 31 March 2018 as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.
- Governance.
- Contract management.
- Communication.
- E-Procurement.
- Monitoring and measurement.
- Guidance.
- Training.

The six key priority areas where targets have been identified and are attributable for the Procurement Strategy reporting period ending 31 March 2018 are as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.

- Contract management.
- E-Procurement.

The guidance and template issued by the Scottish Government to report on our performance from 2017 to 2018 onwards has been used for this first Annual Procurement Report. The reporting period for this first annual report is from 31 December 2016 to 31 March 2018.

In addition to the required information set out in the Act, this report includes performance against a number of strategic indicators as detailed in the Council's Procurement Strategy 2016 to 2018.

In order to evidence our progress against our strategic targets and the new duties introduced by the Act, the published Annual Report details the form of measurement taken. The statistics presented in this report provide the evidence which should, over time, show how the Council is progressing against both the national and local objectives. Targets were set in the Council's Procurement Strategy and progress towards these has been noted in this first Procurement Annual Report.

Section 1 – Summary of Regulated Procurements Completed

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include **'a summary of the regulated procurements that have been completed during the year covered by the report'**.

As defined by the Procurement Reform (Scotland) Act 2014 and referred to as the Reform Act 'slice' a regulated procurement for Goods or Services Contracts with a value of over £50,000 and for Works Contracts over £2,000,000 and less than the relevant OJEU Thresholds.

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

Appendix 1 provides the breakdown of the 55 regulated procurements completed for the reporting period of 1 January 2017 to 31 March 2018.

Section 2 – Review of Regulated Procurement Compliance

All procurement carried out by the Council are required to be carried out in accordance with the Council's Contract Standing Orders (CSOs) and this is regularly updated to take account of changes in legislation and best practice in procurement. The last update was agreed in March 2018.

Prior to the point of contract award, all recommendation reports are required to include a statement that the CSOs have been complied with, therefore full compliance is anticipated. Examples of internal and external review of the Council's processes and compliance with these processes are detailed in the audit / improvement capability outcomes as follows:

The Council completed Scotland Excel's Procurement Improvement Capability Programme (PCIP) in July 2017. The PCIP is undertaken every two years and a second PCIP assessment for the Council is due to take place in March 2019.

The objective of the PCIP is to assist the Council to improve its structure, capability, processes and ultimately performance by attaining a level of a procurement performance that is appropriate to the scale and complexity of its business. As part of the PCIP the Council is required to demonstrate a prudent and well-planned approach to defining its supply needs. Assessment of the Council's procurement improvement capability is carried out every two years by Scotland's Centre of Expertise Scotland Excel and covers procurement activities carried out by the Council's Officers with Delegated Authority in the Procurement, Capital Projects, Facilities and Engineering Teams.

Key areas of strength identified:

1. Procurement has an increasingly high profile in the Council.
2. The improvements in procurement are beginning to deliver results.
3. Some good examples of strategic analysis in developing tenders.

Key opportunities for improvement (progress made towards the opportunities for improvement are outlined below):

1. Consider how the flexible framework is used to support sustainable procurement; **Progress to Date:** New Sustainable Procurement Policy published in March 2018 following a public consultation.
2. Ensure the Council has the right skills, support and resources for procurement in the future; **Progress to Date:** Officers signposted to the Scottish Government's Procurement Journey and the Procurement Manual for Officers with Delegated Procurement Authority reviewed and updated.
3. Ensure that the recently developed conflict of interest policy is embedded in Council practice; **Progress to Date:** Included in the latest update of the Procurement Manual and documentation circulated to relevant Officers and senior management via internal communications.
4. Prioritise contract coverage, maverick spend and contract and supplier management; **Progress to Date:** Internal contracts register data collation continuously improved and the Change Programme Procurement Review (CR02) underway to achieve savings and on-contract spend.
5. Ensure implementation and exit strategies are embedded into procurement processes and practices in the pre-tender stage; **Progress to Date:** Procurement Manual reviewed and updated to include sections and guidance for Officers with Delegated Procurement Authority.

An internal audit was carried out in 2016 / 2017 with a final report issued in September 2017 which reviewed procurement activities in the Council in the light of the new regulations. The review was very positive in general with recommendations

all of medium priority which included completion of the review of the Sustainable Procurement Policy, the Procurement Manual, the Council's Standard Terms and Conditions, referencing updates within the Council's Financial Regulations in line with the Council's CSOs and to instigate a process for review of access rights for the Officers with Delegated Procurement Authority. All of the recommendations have been implemented.

The Council's CSOs were updated, revised and published in June 2016 to include the provisions of the Procurement Reform (Scotland) Act 2014 and the Procurement Scotland Regulations 2016. The CSOs were also updated to include recommendations of an internal audit on procurement at the Council. The CSOs were approved by General Meeting of the Council 5 July 2016 and have been updated further in October 2017 and March 2018 respectively to reflect an additional procedure to ensure there is documentation to evidence that there are no conflicts of interests for evaluation team member and to update the EU Threshold for procurement. Changes to the CSOs were highlighted to Senior Managers and key procurement staff and within the organisation by way of the Procurement Services Bulletin.

The Council's Procurement Strategy 2016 to 2018 was published in December 2016. A revised and updated version is due to be published in December 2018 for the following two years and three-month period to 31 March 2021. This will bring the Procurement Strategy in line with the ongoing annual reporting requirements.

Appendix 2 attached to this report is the Procurement Service Improvement Action Plan contains the Procurement Strategy targets set and progress made over the last two financial years.

Section 3 – Community Benefit Summary

The Council has a Sustainable Procurement Policy in place and this policy sets out the general principles that the Council will follow across all its procurement and commissioning activities to ensure that it is undertaken in a sustainable manner.

It sets out how the Council will plan and manage its procurement activities to meet the Council's corporate aims and objectives and comply with regulatory and legislative requirements.

This policy supports the commitment to sustainable procurement which is set out in the Council's Corporate Procurement Strategy 2016 to 2018:

<http://www.orkney.gov.uk/Service-Directory/P/procurement-strategy-2016-to-2018.htm>.

It is intended for all of those who are involved in, or affected by, the Council's procurement activities throughout our community and beyond.

The Council spends tens of millions of pounds each year on a diverse range of goods, services and works from third parties. It is important therefore that this spending power is used to support key Council objectives. The sustainable

procurement policy has been developed to help the Council to meet its legal duties and to deliver its key strategic objectives available at the link below:

[http://www.orkney.gov.uk/Files/Business-and-Trade/Sustainable Procurement Policy.pdf](http://www.orkney.gov.uk/Files/Business-and-Trade/Sustainable_Procurement_Policy.pdf).

Sustainable procurement supports the Council's values, as outlined in Orkney Islands Council's Delivery Plan 2015 to 2018 (Our Plan):

[http://www.orkney.gov.uk/Files/Council/Council-Plans/OIC Delivery Plan 2015 2018.pdf](http://www.orkney.gov.uk/Files/Council/Council-Plans/OIC_Delivery_Plan_2015_2018.pdf).

And more recently in the Council Plan 2018 to 2023:

<http://www.orkney.gov.uk/Council/C/corporate-strategic-plan-2018-2023.htm>.

Our VALUES are our beliefs and our principles. These are a guide for what is right and for how we should conduct the work that we do.

- Promoting Survival: To support our communities.
- Promoting sustainability: To make sure economic, environmental and social factors are balanced.
- Promoting equality and fairness: To encourage services to provide equal opportunities for everyone.
- Working Together: To overcome issues more effectively through partnership working.
- Working with communities: To involve community councils, community groups, voluntary groups and individuals in the process.
- Working to provide better services: To improve the planning and delivery of services.

The Sustainable Procurement Policy outlines how sustainable procurement supports and contributes to the implementation of the Council's Delivery Plan 2015 to 2018.

Community benefits must be considered for all procurement processes at or above £4 million in value to meet the Council's requirement to meet the sustainable procurement duty. For each individual regulated procurement exercises Officers with Delegated Procurement Authority must complete a Commodity Strategy for all Regulated Procurements which includes a section on Community Benefits to be considered where applicable.

During the reporting period covered by this Procurement Annual Report two procurements where Community Benefits have been included have been carried out by the Council and completed within this timeframe, and are as follows:

Date of Award.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
13/02/2017.	Framework agreement for the Provision of personalised care and support services in Orkney for Individuals with Complex Needs.	4,000,000.	13/02/2017.	12/02/2021.
08/09/2017.	New Stromness Care Facility.	7,276,005.	01/09/2017.	10/08/2019.

A summary of the Community Benefits included in the award criteria for the procurements included within the reporting period, and those in procurements that are not concluded yet, are as follows:

- Employment (skills and training, small or medium-sized enterprises (SMEs) / social enterprises / supported businesses).
- Fair Work Practices.

In the instance of the provision of Personalised Care and Support Services contracts resulting from the framework agreement, reporting of community benefits achieved are contained within quarterly contract management meetings for each individual contract. Contracts are awarded throughout the life of the framework and will vary according to each contract where relevant.

For the Stromness Care Home construction project, contract management meetings are held on a regular basis with the Contractor. Progress made towards the targets set for the Stromness Care Home are recorded at each monthly meeting.

The following factors are routinely taken into consideration in relevant procurements, in particular, in construction or social care procurement, however these may not always be specifically labelled as a Community Benefit Award Criteria:

- Climate change (carbon and energy consumption, carbon in production, adaption, carbon in vehicle emissions).
- Materials (scarcity, security).
- Waste (production, reuse / recondition / remanufacture).
- Hazardous materials / emissions.
- Bio-diversity (protection and enhancement).
- Heritage (protection and enhancement).
- Water (consumption and production).
- Employment (skills and training, SMEs / social enterprises / supported businesses).
- Communities.
- Fair and ethical trading (working conditions, conflict materials).
- Equality (protected characteristics).

There has been an increase in the inclusion of Community Benefit Clauses over the past two financial years as recorded in the Procurement Strategy Improvement Plan as attached at Appendix 2.

Following the legislative changes, and as recorded for the previous two financial years on the Council's On-Contract Spend Register, there have been a total of six procurements undertaken in the 2017 / 2018 reporting period where Community Benefit Clauses have been part of the award criteria.

For procurement of Category C Contracts which are undertaken by the Council it is now routine for Community Benefits to be included as part of the award criteria where the value of the contract is over £4 million. For three of the above construction related contracts recorded for 2017 / 2018 period the value of the contracts was substantially less than £4 million.

Where the Council can access Category A or Category B contracts via Framework Agreements the overall anticipated value of the Framework is inevitably of a high value and likely to be over the £4 million threshold for the inclusion of community benefits. Contracts awarded under Framework Agreements are likely to achieve Community Benefits. However, for contracts awarded via a Framework Agreement it is more difficult to identify Community Benefits which will be realised locally, except where the local supply chain is involved in the delivery of the Contract.

Community Benefit Analysis	1 April 2016 to 31 March 2017.	1 April 2017 to 31 March 2018.
Number of Contracts Community Benefit Clauses is applicable to.	3.	4.
Number of Applicable Contracts with Community Benefit Clause.	3.	4.
Percentage of total Applicable Contracts with Community Benefit Clauses.	100.	100.
Value of contracts with Community Benefit Clauses (£).	462,000.	1,499,218.
Percentage of total spend.	1.90.	4.95.

Section 4 – Supported Businesses Summary

The Procurement Reform (Scotland) Act 2014 includes a new classification for supported business: 'an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged'. Public organisations can reserve the right to participate in procurement for the award of a public contract / framework to a supported business.

Although there is no contract in place following a procurement exercise, a grant funding agreement arrangement is in place with a locally based Supported Business, Restart Orkney. Restart Orkney supply furniture to people who have moved into permanent accommodation following an application for housing when meeting the

criteria for homelessness. Orkney Soap, a subsidiary of Cope Ltd, has been supplying liquid soap for use in Council establishments for a number of years, unfortunately the Orkney outlet has now closed [August 2018] following a period of uncertainty.

The classification change in 2016 expanded the potential for more businesses to be included in this category however the Council's contract activity for last year did not provide an opportunity to carry out such an exercise.

Section 5 – Future Regulated Procurements Summary

The Procurement team has worked with Executive Directors to develop a forward procurement plans for their service areas. These plans identify the Council's anticipated procurement activity for the coming year for Category C and C1 procurement (excluding Category A and B activity).

The Act has extended this timeframe to two years and Appendix 2 includes information regarding anticipated Regulated Procurements for that period. As referenced in the introduction above, this report includes information on all procurement activity and this is included in the Forward Plan, i.e. it also covers 'non-regulated' procurement.

See Appendix 3 for the Council's Forward Plan.

Section 6 – Other Information

Supplier Development

A Meet the Buyer event has been held annually for the last two years with a third event planned for 10 October 2018. The events are organised by the Councils' Procurement Team together with service colleagues and Business Gateway.

Scotland Excel and the Supplier Development Programme have presented to the events in 2016 and 2017 and have also been involved in helping local firms do business better with the Council. The events have been attended by 40 to 50 individuals on both occasions and have been well received.

The following commitments have been made as part of the Council's Procurement Improvement Action Plan:

- To increase attendance at 'meet the buyer' or equivalent events to cover areas of concern, engage with local suppliers and advice on how to become a supplier to the Council. Encourage main contractors to engage with SMEs through the inclusion of Community Benefit clauses.
- Encourage suppliers to the Council to access support available to businesses, via Business Gateway Orkney and the Supplier Development Programme.

Collaboration and Partnering Opportunities

In accordance with the Council's Procurement Strategy there is a Council Commitment regarding collaboration and partnering. It is recognised that greater efficiencies can be achieved by improved collaboration between different

organisations within the public sector with similar requirements, whether within the local government sector or in other areas of the public sector, such as the Scottish Government, the Crown Commercial Service, Non-Departmental Public Bodies and the National Health Service (NHS).

Collaboration maximises the value of procurement whether it be through aggregation of demand or through the sharing of resources to reduce administration. Framework Agreements are noted as either a Category A Contract, Category B Contract or Category C1 for local collaborative contracts in place. The Council's use of these are noted in tables 1 and 2 below.

The Council's internal contract register lists all purchases for works, services and supplies known to have a contract in place. This register does not include ad hoc purchases for values typically under the £10,000 minimum threshold as noted in the Council's CSOs. There are exceptions to this rule where the nature or complexity of the contract does warrant a contract in place, for example, IT licensing agreements, cleaning contracts etc.

In total there are 326 live contracts listed in the Council's contract register for the year 1 April 2016 to 31 March 2017 and 386 for the year 1 April 2017 to 31 March 2018.

Tables 1 and 2 highlight the summary of all live contracts as recorded on the Council's Contract Register by category for the previous two complete financial years and a corresponding split between Services, Supplies and Works.

Table 1 – 1 April 2016 to 31 March 2017

Contract Category Analysis of Contracts (as recorded on the Contracts Register).	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	21.	11.64.	2,830,560.07.
Category B (sectoral).	18.	7.45.	1,811,503.54.
Category C (local single supplier).	163.	72.64.	17,663,409.07.
Category C1 (local contract / framework including local collaborative framework agreements). (Example for Category C1 are the collaborative contracts in place with the Council as the lead with NHS Orkney for the provision of food for the schools, residential homes and the Balfour Hospital and specialist legal services working collaboratively and e-learning working.)	23.	2.00.	486,816.67.
Category O (other).	101.	6.26.	1,523,172.78.
Total.	326.	100.00.	24,315,462.12.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	240.	73.62.	14,116,677.76.	58.06.
Supply.	65.	19.94.	4,814,221.17.	19.80.
Works.	21.	6.44.	5,384,563.20.	22.14.
Total.	326.	100.00.	24,315,462.12.	100.00.

Table 2 – 1 April 2017 to 31 March 2018

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	18.	10.41.	3,151,612.07.
Category B (sectoral).	43.	7.77.	2,354,034.99.
Category C (local single supplier).	187.	74.85.	22,667,547.25.
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	26.	1.60.	484,316.67.
Category O (other).	112.	5.37.	1,625,027.23.
Total.	386.	100.00.	30,282,538.21.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	256.	66.32.	15,853,299.03.	52.35.
Supply.	82.	21.24.	4,589,907.12.	15.16.
Works.	48.	12.44.	9,839,332.06.	32.49.
Total.	386.	100.00.	30,282,538.21.	100.00.

Procurement Annual Spend Data

The Council is required by the Scottish Government to input its annual spend data to the Procurement Hub which records all purchasing transactions made by the Council for each financial year. The information is processed and released back to the Council for the purposes of analysis and forward planning.

The following table provides a summary of key data for the Council spend data for the past three financial years.

Financial Year.	2015 / 2016.	2016 / 2017.	2017 / 2018.
Total Spend (£).	44,002,015.	40,922,973.	43,949,847.
Core Trade Spend (£).	39,228,692.	36,836,233.	38,934,328.
Input suppliers.	2,221.	2,245.	2,249.
De-dedicated Suppliers.	2,183.	2,216.	2,218.
Duplicate Suppliers.	38.	29.	31.
SME Suppliers.	761.	733.	702.
Local Suppliers.	235.	225.	228.
Transactions.	35,728.	34,655.	34,292.
Average Spend per supplier (£).	20,156.	18,467.	19,815.
Percentage of Purchase Card Spend. (The Council does not have this system in place).	N / A.	N / A.	N / A.
Percentage of SME Spend.	70.	75.	63.
Percentage of Local Spend.	48.	43.	41.
Percentage of Core Trade Spend.	89.15.	90.01.	88.59.

Procurement Spend – National Context

The Council has the second highest value (39%) for total procurement spend on local small / medium enterprises (Figure 2), in comparison to the whole of Scotland for the reporting period 2016 to 2017. Orkney's local procurement spend is almost twice the national average of 20% (Figure 1).

Please note that the figures referred to in the section are the percentages of the Council's spend on local SMEs which is a different data set to the figures recorded for percentage of SME Spend and percentage of Local Spend in the table above.

Figure 1: Percentage of Council Procurement spent on local small / medium enterprises 2016 to 2017. Source: www.improvementservice.org.uk, accessed 02 August 2018.

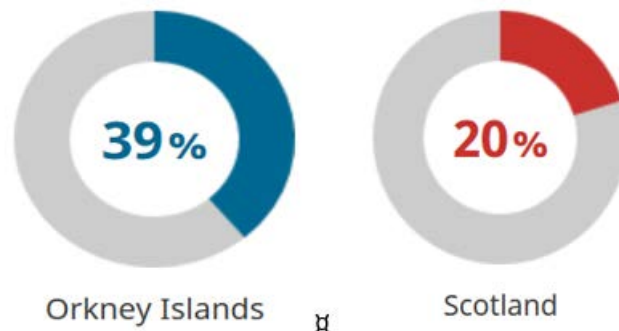
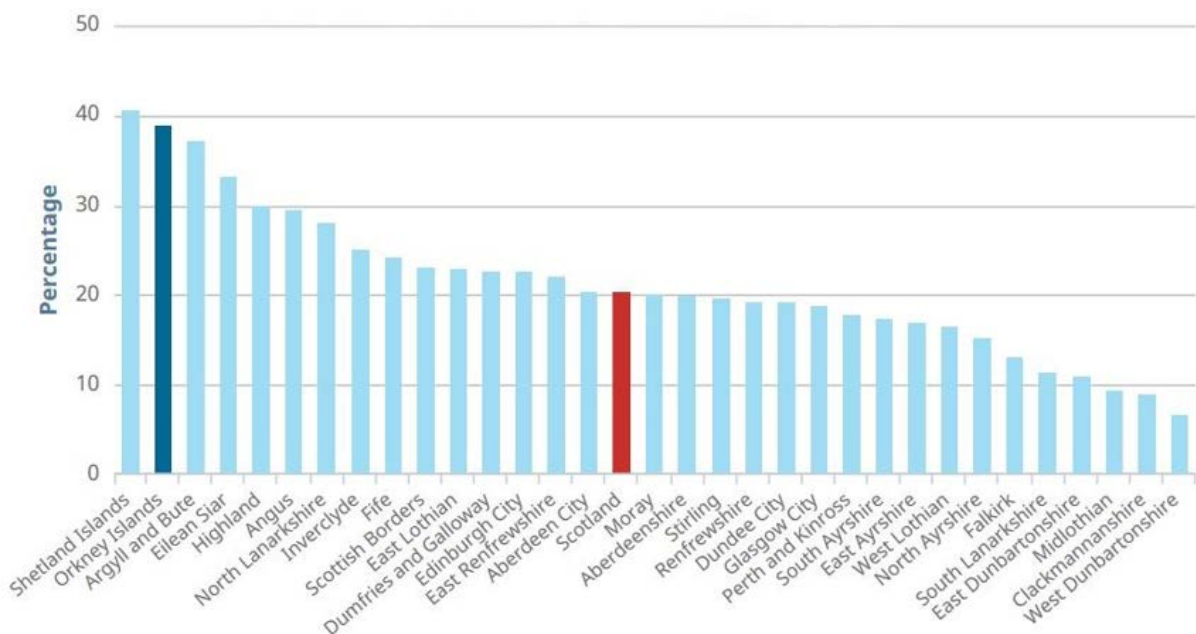


Figure 2: Percentage of Council Procurement spent on local small / medium enterprises – Scottish Local Authorities 2016 to 2017. Source: as above.



Climate Change Duties and Bio-Diversity

The Climate Change (Scotland) Act 2009 places 'Climate Change Duties' on public bodies, which require them to:

- Contribute to national carbon emissions reduction targets.
- Contribute to climate change adaptation.
- To do this sustainably.

All public bodies are required to report annually to the Sustainable Scotland Network at the Edinburgh Centre for Carbon Innovation, setting out what they are doing to fulfil their Climate Change Duties (CCD). The Council is currently preparing its CCD report for 2017 to 2018 which is due to be submitted by November 2018.

Part 1 of the Nature Conservation (Scotland) Act 2004 places a 'Biodiversity Duty' on public bodies, requiring them to 'further the conservation of biodiversity' when carrying out their functions.

The Council is a member of the Orkney Local Biodiversity Action Plan Steering Group and helps prepare and implement the Orkney Local Biodiversity Action Plan (LBAP). Consultation has recently closed on a new draft Orkney LBAP which will cover the period 2018 to 2022. Once approved by the Council, the LBAP will be accessible from the Council's website at www.orkney.gov.uk.

Appendix 1

Summary of Regulated Procurement carried out 31 December 2016 to 31 March 2018

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
04/01/2017.	Invisible Link.	Replacement OIC Managed Wireless backhaul Network and PtMP Solution.	67,130.	04/01/2017.	31/03/2017.
06/01/2017.	David Flanagan Journalism & Public Relations.	Provision of PR & Media Management Services– Digital Media Orkney Project (Orkney Marketing Programme (OMP)).	96,000.	06/01/2017.	31/12/2019.
06/01/2017.	Philips Lighting UK Ltd.	Supply of LED Lanterns.	237,530.	06/01/2017.	Purchase only.
13/01/2017.	Start Point Media.	Provision of Film and Photography Services – Digital Media Orkney Project (OMP).	72,000.	11/01/2017.	31/12/2019.
13/01/2017.	Start Point Media.	Provision of Social Media Management Services– Digital Media Orkney Project (OMP).	120,000.	12/01/2017.	31/12/2019.
25/01/2017.	J.W. Gray & Co.	Groceries and Provisions.	76,749.	01/04/2017.	30/09/2017.
25/01/2017.	James Wilson.	Groceries and Provisions.	76,749.	01/04/2017.	30/09/2017.
25/01/2017.	CH2M.	Lyness Remediation Study.	86,000.	25/01/2017.	31/07/2018.
26/01/2017.	Bill Mackie Engineering Ltd.	Vessel Re-Fit services - MV Varagen.	61,745.	20/02/2017.	07/03/2018.
26/01/2017.	Global Connections (Scotland) Ltd.	Interpretation Services under Syrian Resettlement Programme.	53,300.	16/03/2017.	15/03/2018.
10/02/2017.	A M Phillip Trucktech LTD.	Supply and Delivery of three new pickups.	82,335.	31/03/2017.	Purchase only.

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
13/02/2017.	Community Integrated Care / Scottish Autism / Enable Scotland.	Framework for the Provision of personalised care and support services in Orkney for Individuals with Complex Needs.	4,000,000.	13/02/2017.	12/02/2021.
17/02/2017.	ETS.	Duct Hygiene.	140,278.	17/02/2017.	31/12/2019.
27/02/2017.	Calbarrie.	Electrical Systems Testing and Fixed Appliances.	108,016.	01/04/2017.	31/03/2020.
10/03/2017.	Mott MacDonald Ltd.	Civil and Structural Engineering Services on the new Kirkwall Care Facility project called-off from the Scotland Excel Framework (Lot 1) for Buildings Related Engineering Consultancy Reference 11-13.	86,731.	24/03/2017.	03/04/2019.
14/03/2017.	Bill Mackie Engineering Ltd.	Vessel Re-Fit Services - MV Hoy Head.	62,709.	20/03/2017.	31/03/2017.
23/03/2017.	Northern Isles Freightways Ltd.	Provision of Container Shipment of Waste to Shetland.	1,760,000.	01/04/2017.	31/03/2020.
29/03/2017.	ACTS Partnership Ltd.	Mechanical and Electrical Engineering Service on New Care Facility.	110,825.	14/04/2017.	08/04/2022.
08/05/2017.	Scottish Autism.	Provision of Personalised care a support services in Orkney for individuals with complex needs - framework reference OIC / PROC / 0533 / 001.	356,947.	15/05/2017.	14/05/2022.
24/05/2017.	Bill Mackie Engineering Ltd.	Spares for MT Harald Refit.	88,120.	15/06/2017.	Purchase only.
25/05/2017.	Norscot Truck and Van Ltd.	Supply of three new 12-tonne Lorries.	280,606.	25/05/2017.	Purchase only.

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
05/06/2017.	Andrew Sinclair Ltd.	Pierowall Harbour Upgrade.	2,487,103.	05/06/2017.	08/09/2018.
09/06/2017.	Norscot Truck and Van Ltd.	18-tonne lorry with tipper body.	66,860.	09/06/2017.	Purchase only.
09/06/2017.	A M Phillip Trucktech LTD.	32-tonne lorry with 20-tonne Hooklift System.	105,500.	09/06/2017.	Purchase only.
15/06/2017.	Denbridge Marine Ltd.	Supply and Installation of a Port Management Information System.	53,750	15/06/2017.	21/08/2019.
19/06/2017.	Enable Scotland.	Tripartite Agreement - Individual Service Fund (Support Service).	82,255.	19/06/2017.	In perpetuity.
30/06/2017.	OCTO (Orkney Community Transport Organisation).	School Bus Transport - Holm Route 74A.	104,652.	22/08/2017.	01/07/2018.
04/07/2017.	Mellor Coachcraft.	Disabled Access Minibus.	69,107.	05/07/2017.	Purchase only.
06/07/2017.	THAW Orkney.	Provision of Poverty and Social Inclusion Services.	340,000.	10/07/2017.	09/07/2018.
12/07/2017.	Aquatera Ltd.	Kirkwall Town Heritage Interpretation.	55,000.	20/07/2017.	01/12/2018.
08/08/2017.	Finlay Scotland Ltd.	Supply and Delivery of Mobile Screener.	144,400.	08/08/2017.	Purchase only.
29/08/2017.	Bill Mackie Engineering Ltd.	2017 Vessel Refit - MV Thorsvoe.	60,635.	18/09/2017.	29/09/2017.
31/08/2017.	Planning Aid for Scotland.	Consultancy Services to review KUDF 2009.	74,300.	01/09/2017.	02/07/2018.

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
04/09/2017.	A M Phillip Trucktech LTD.	Supply of two new Crew Cab Pickups.	51,380.	07/09/2017.	Purchase only.
06/09/2017.	Foster Care Connect SXL.	Foster Care.	238,000.	06/09/2017.	SXL end date 24/03/2019.
08/09/2017.	Orkney Builders (Contractors) Ltd.	New Stromness Care Facility.	7,276,005.	01/09/2017.	10/08/2019.
09/09/2017.	Rossie Young People's Trust SXL.	Secure Care.	299,614.	N / A.	Ongoing.
18/10/2017.	Marico Marine UK (Marine & Risk Consultants Ltd).	Port Marine Safety Code - Designated Person.	74,982.	23/10/2017.	22/10/2020.
24/10/2017.	Sorton Partners.	Provision of Business Gateway Services.	520,219.	03/12/2017.	02/12/2020.
01/11/2017.	IDOX Software Limited.	Supply of Idox Local Authority Software Applications.	124,595.	01/12/2017.	30/11/2022.
08/11/2017.	APEM Limited.	Ballast Water Sample Analysis.	65,960.	01/11/2017.	31/10/2019.
01/12/2017.	Concerto Support Services.	Supply of Asset and Facilities Management Integrated Software.	60,000.	04/12/2017.	03/12/2019.
18/12/2017.	Specialist Computer Centres PLC.	Supply and delivery of Core Network Replacement.	110,809.	18/12/2017.	Purchase only.
19/12/2017.	Bill Mackie Engineering Ltd.	2018 Vessel Re-fit services - MV Earl Sigurd and MV Earl Thorfinn.	184,962.	08/01/2018.	12/02/2018.
20/12/2017.	NorthgateArinso.	Resourcelink Modules - Payroll and HR software.	161,819.	01/03/2018.	28/02/2023.

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
05/01/2018.	Adelong Outdoor Learning.	Outdoor Activity Instructors – 3-year tender.	88,400.	01/05/2018.	30/10/2018.
16/01/2018.	BOMAG.	Supply of a Pneumatic Tyred Roller.	79,500.	16/01/2018.	Purchase only.
17/01/2018.	Bill Mackie Engineering Ltd.	2018 Vessel Re-fit services - MV Varagen.	83,345.	19/02/2018.	03/03/2018.
19/01/2018.	Johnston Sweepers Ltd.	Supply and Delivery of Truck Mounted Sweeper.	133,660.	19/01/2018.	Purchase only.
26/01/2018.	A M Phillip Trucktech LTD.	Supply and Delivery of three pickups.	99,070.	26/01/2018.	Purchase only.
06/02/2018.	Ship2Shore Orkney.	Cruise Ship Welcome and Information Service.	75,732.	01/03/2018.	30/09/2018.
09/02/2018.	A M Phillip Trucktech LTD.	Supply and Delivery of two new Pickups.	70,000.	09/02/2018.	Purchase only.
16/02/2018.	Farid Hillend Engineering Limited.	Supply and Delivery of Refuse Carts.	151,218.	16/02/2018.	Purchase only.
20/02/2018.	Trustmarque Solutions Limited.	Microsoft Enterprise Agreement.	427,536.	01/03/2018.	28/02/2023.
09/03/2018.	Bill Mackie Engineering Ltd.	2018 vessel re-fit MV Hoy Head.	77,659.	19/03/2018.	30/03/2018.

Appendix 2

Procurement Service Improvement Action Plan 2016 to 2018

1. Sustainability

The Council is conscious that its procurement decisions must take account of the social, economic and environmental impact it has on the people and communities of Orkney and elsewhere.

BRAG indicators:

- Blue – Complete.
- Amber – At risk of not delivering to the timescale.
- Red – Overdue or will be late.
- Green – On track.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
1.1.	To embed sustainability into the procurement process where it is relevant to the subject matter of the contract and to comply with the Council's Sustainability Duty.	Consideration of sustainability built into individual commodity strategy as evidence.	Development of a commodity strategy for each individual procurement as included in the reviewed CSOs approved in June 2016. Complete in Central Procurement Unit (CPU), roll out to other services in progress, where appropriate.	March 2018.	Blue.

1.2.	Implementation of the Scottish Government 10 steps to Sustainable Procurement to assist sustainability and other responsible procurement themes.	Sustainable Procurement Policy 2013 to 2015 in place. Part of the new suite of legislation effective from June 2016. Ensure all proforma documentation is updated accordingly.	Sustainability clause in all Invitation to Quote and Invitation to Tender documentation issued by the CPU. To be incorporated into all appropriate documentation.	March 2018.	Blue.
1.3.	To engage with the local supplier base to develop Community Benefit Clauses to maximise the potential of the local economy to compete for Council business for the economic benefit and sustainability of Orkney.	Consultation event planned for spring / summer 2017 re Sustainable Procurement Policy update 2017 to 2018.	Consultation complete and final Strategy published March 2018.	September 2018.	Blue.
1.4.	To implement the use of Community Benefit Clauses in contracts as appropriate.	Update CSOs and procurement proformas for the Commodity strategy and the contract award recommendation report updated to ensure compliance with the new requirement to consider the inclusion of a community benefit clause for all	CSOs revised and updated 2018, proformas being updated accordingly.	March 2018.	Blue.
			Sustainability training to be developed for network of procurement officers with delegated authority.	December 2018.	Green.

		procurement with a value over £4 million.			
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.
Percentage of relevant Procurements where Community Benefit Clauses have been included in the award criteria.			0.	5% (100%).	10% (100%).
Percentage of overall spend with the third sector and supported businesses.			6%.	7% (5.52%).	8% (7.51%).
Percentage of contract spend with local supplier base in Orkney.			48%.	50% (43%).	52% (41%).

2. Working with suppliers

The Council recognises that there is a popular view amongst suppliers and contractors, and particularly amongst SMEs, that Councils are difficult to do business with and that communications are often poor.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
2.1.	At all times adopt a professional approach in all of its business undertakings with suppliers and contractors. Where decisions are made every effort will be made, within the confines of the law and commercial confidentiality, to provide a full explanation of the reasoning behind the procurement decision making process.	Recording of evaluation decisions integrated to procurement process.	Feedback provided as required by law and within the 15-day mandatory timescale. European Social Fund / Scottish Government audit report recommendation to keep all individual evaluations on record to be	June 2017.	Blue.

			incorporated into the procurement manual update.		
2.2.	To ensure that the procurement process is appropriate to the value and complexity of the goods, services are works that are being acquired and to keep bidding costs to the minimum necessary and remove barriers to participation by, for example small firms, the self-employed and the third sector without discriminating against others.	Documentation prepared that is proportionate to the value and complexity of the procurement.	Documentation and method of advertising considered as per CSOs in a proportionate and accessible manner, utilising QQ wherever possible and contacting suppliers prior to release of advert or QQ. How to Tender workshops run by Business Gateway on a regular basis.	Ongoing.	Blue.
2.3.	To review contract award procedure – to ensure that they place the minimum possible burden on suppliers.	Reviewed on an ongoing basis.	Standard method statements in place for low value procurements and evaluation of submissions. Minimal documentation in place.	Ongoing.	Blue.

2.4.	Use outcome based tender specifications wherever possible – to allow businesses to propose innovative and alternative solutions to the Council's needs.	Method statements adopted.	Consider outcome based specification training for delegated authority officers.	March 2018.	Red.
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.
Percentage of local supply base registered with the Supplier Development Programme.			N / A.	8% (No systems in place to record percentage figures).	12% (No systems in place to record percentage figures).
Percentage of outcome based specifications in place.			No data available.	2% (systems not in place to record this information).	5% (systems not in place to record this data).
Percentage of contracts where lots are available for contractors to bid for.			No data available.	2 (systems not in place to record this information).	5 (systems not in place to record this information).
Percentage of Council spend attributed to SMEs.			48%.	50% (75%).	52% (63%).
Number of Local Suppliers (Local suppliers providing goods, services or works to the Council).			235%.	250% (225%).	265% (228%).

3. Value for money.

Section 1, Local Government in Scotland Act 2003 places a statutory duty on the Council to secure best value. Procurement activities which deliver value for money will contribute to the achievement of value for money.

Best Value is continuous improvement in the performance of the Council's functions. In accordance with Best Value principles all proposed and current services arrangements shall be subject to review and option appraisal.

The aim of Council procurement must be the achievement of value for money (the optimum combination of whole life cost and quality) for the Council.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
3.1.	To further develop tender evaluation procedures in order that contracts awarded represent value for money (or Most Economically Advantageous Tender where the full provisions of the Procurement Regulations apply) taking quality and price into consideration and not just lowest price.	Procurement advice and contract standing orders.	New Regulations June 2016 mandate regulated procurement and over to utilise Most Economically Advantageous Tender (MEAT) in all tender – CSOs reviewed in June 2016 include this requirement. Procurement Manual updated to include this.	December 2017.	Blue.
3.2.	As part of value for money considerations the Council will take account of other relevant Council policies in relation to corporate social responsibility, sustainability and Community Benefits.	Sustainable Procurement Policy 2013 to 2015.	Example clause and link referring to Sustainable Procurement Policy included in all ITQ and ITT documentation issued by the CPU.	December 2017.	Blue.

			Procurement Bulletin distributed to Officers with Delegated Procurement featured new Sustainable Procurement Policy.		
3.3.	To raise awareness internally of potential framework savings and make recommendations to ensure a more consistent approach across all Council services.	Awareness training and improve visibility of available framework agreements to service areas.	Awareness training provided to Corporate Admin Group. Contract information on the staff portal being reviewed and updated.	March 2018.	Blue.
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.
Percentage savings target secured through increase on-contract spend.			N / A.	1% (systems not in place to record this information).	2.5% (systems not in place to record this information).
Percentage of procurement spend covered by a contract.			52.14%.	55% (66%).	60% (78%).
Savings targets for frequently purchased items.			N / A.	£50,000 (systems under development to record this).	£103,000 (systems under development to record this).

4. Collaboration and partnering.

Greater efficiencies can be achieved by improved collaboration between different organisations within the public sector with similar requirements, whether within the local government sector or in other areas of the public sector, such as the Scottish Government, the Crown Commercial Service, Non-Departmental Public Bodies and the NHS. Collaboration maximise the value of procurement whether it be through aggregation of demand or through the sharing of resources to reduce administration.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
4.1.	Where collaborative arrangements provide a benefit to the Council there will be a strong presumption towards the use of contracts that have been established by Procurement Scotland (the national centre of procurement expertise) and Scotland Excel (the local government centre of procurement expertise).	Increase the use of framework agreements.	Use of frameworks the default position where no local market identified. Category C contracts only put in place where no local market or framework available that demonstrates best value. New CSOs include section for framework agreements.	June 2016.	Blue.
4.2.	Where it is demonstrated that collaborative contracts represent value for money to the Council the use of such contracts should be mandatory across the Council to reduce off-contract buying.	Ensure all service areas are aware of collaborative contracts available and arrangement for purchasing goods and services.	Change programme review in progress to identify where use of framework agreements could be maximised.	March 2018.	Blue.

4.3.	Where there is a known local supply base as well as collaborative contracts available for the Council to use, a twin track approach should be used to ensure best value is achieved and the local market has the opportunity to respond to contract opportunities.	All procurement exercises considered on this basis on a case by case basis. Procurement Manual to incorporate this approach.	Procurement Manual being updated to incorporate this where contracting opportunity is below the threshold for regulated procurements.	July 2018.	Green.
4.4.	To collaborate wherever possible with the various Centres of Expertise and Procurement Expertise to maximise the value of strategic procurement.	Links with Scotland Excel strengthened and regular commercial UIG held with area representative.	Increase in use of framework agreements and an increase in the range of framework providers utilised.	Ongoing.	Blue.
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.
Percentages of contract spend utilising Collaborative Contracts.			13.17%.	15% (21.09%).	20% (19.78%).
Percentage of locally based contractors participating in Collaborative Contract Opportunities.			0%.	0% (0%).	1% (0%).
Percentage of contract spend with local supplier base in Orkney.			48%.	50% (43%).	52% (41%).

5. Governance.

The Council currently has a highly devolved procurement structure with the majority of services still carrying out a sizeable procurement role. The culture of compliance with the Councils governance arrangements is difficult to manage. The Council expects that all possible attention is given to the issue of accountability and governance in the area of procurement.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
5.1.	The Council's Procurement Member Officer Working Group (PMOWG) will consider the strategic direction of Procurement.	PMOWG re-established and terms of reference reviewed.	PMOWG Terms of Reference agreed. PMOWG meets regularly throughout the year.	Ongoing.	Blue.
5.2.	The Council will introduce an embedded procurement officer network (a network of staff who are formally authorised to undertake procurement activities on behalf of the Council).	A network of lead procurement officers across service areas has been established. Delegated authority forms and guidance reviewed in consultation with Heads of Service.	Delegated authority forms reviewed and completed by relevant Directors.	Complete.	Blue.
5.3.	Suppliers will be given notice that goods, services and works should only be provided to the Council on the award of a contract or purchase order.	Confirm the position with colleagues in Finance.	This will be instigated when Purchase to Pay (P2P) has been established.	31 March 2020.	Amber.
5.4.	That no member of Council staff may award a contract or purchase order without written delegated authority.	CSOs and financial standing orders reviewed in 2014. (Reviewed again in 2016).	Register of Officers with delegated approval for procurement and purchase orders in place.	Complete.	Blue.

5.5.	The key roles of budget holder and procurer will not be performed by the same member of staff.	CSOs reviewed.	Highlighted to relevant service areas via discussions with key Managers Procurement Manual and CSOs reviewed.	Complete.	Blue.
5.6.	The Council will endeavour to ensure there are no potential conflicts of interest in the procurement process.	Officers with delegated authority to carry out procurement to be made aware of the requirement to declare any potential conflict of interest.	Proforma form developed and in use by staff who are involved in the evaluation of tenders.	July 2017.	Blue.
5.7.	The Council will endeavour to comply with the Scottish Procurement Policy Handbook .	Scottish Government Routes 1, 2 and 3 are integral to the CSOs and the Procurement Manual.	CSOs and Procurement Manual are reviewed regularly (latest review carried out and completed in June 2016).	CSOs complete.	Blue.
			Future reviews scheduled for 2018 and 2020, or when there are legislative changes.	Procurement Manual July 2018.	Blue.

5.8.	The Council will comply with the Contract Standing Orders http://www.orkney.gov.uk/Council/C/Contract-Standing-Orders.htm .	CSOs updated to reflect new legislation. iLearn Procurement Awareness iLearn module developed.	Updated CSOs available on the Council Website and Staff Portal.	July 2017.	Blue.
			iLearn training module under development.	December 2018.	Green.

6. Contract Management.

Active contract management is increasing across the Council with segmentation used to identify high value / high risk contracts to ensure targeting of staff resources to develop and apply a contract management plan at the implementation stage following contract award.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
6.1.	To strengthen contract management procedures by holding regular meetings with major contractors to review performance and improve levels of contract compliance.	Contract management clause written into all relevant ITTs. documentation.	Contract manager and administrator roles in place for Schools Investment Programme and high value / high risk projects.	March 2018.	Blue.
6.2.	To roll out contract management arrangements to all high value high risk contractors.	Contract management clause written into all relevant ITTs. Segmentation approach to be embedded in proforma	Service areas responsible for contract management for works and part of the JTC / NEC contracts. Services operate effective	March 2018.	Blue.

		documentation as appropriate.	contract management in consultation with CPU. Formal contract management proforma to be developed for service contracts.		
			Documentation to be updated to reflect segmentation and identification of high risk / high cost projects as appropriate.	December 2018.	Red.
6.3.	Exit strategy to be considered and documented for all contracts where appropriate.	Exit strategy to be considered as an integral part of contract management.	Procurement manual to be updated to reflect the importance of exit strategies in contract management processes where appropriate to the subject matter of the contract.	July 2018.	Green.
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.

Percentage of contracts with an appropriate contract management plan in place.	No data currently available.	25% (26.99%).	30% (53.85%).
Percentage Value of savings negotiated during the annualised contract period where there is a contract in place.	No data currently available.	1% (systems not in place to record this information).	2% (systems not in place to record this information).
Percentage of contracts where improvements have been agreed and implemented.	No data currently available.	1% (systems not in place to record this information).	2% (systems not in place to record this information).

7. Communication.

It is recognised that, key to the successful implementation of any new procurement processes or policy, there has to be an understanding amongst all stakeholders of the reasons behind such actions.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
7.1.	To inform and advise its stakeholders by means of: Increasing the use of the Public Contracts Scotland (PCS) website at http://www.publiccontractsscotland.gov.uk/ .	Promote the use of the PCS portal.	Significant increase in usage of PCS – Paper copies of tenders are now available on an exception basis only.	Ongoing.	Blue.
7.2.	Increasing the use of the procurement page on the Council's intranet (portal).	Increase awareness amongst council staff via bulletins and briefing notes to Senior Management	Awareness raising ongoing amongst CPU staff and the network of procurement	March 2018.	Blue.

		Team (SMT) / Corporate Management Team (CMT).	officers with delegated authority to carry out procurement is ongoing.		
7.3.	Increasing the use of the procurement section of the Council's website.	Website information regularly updated.	Awareness raising via How to Tender workshops and Meet the Buyer Event. Contracts register link on website and promoted via news item on the Council website.	Ongoing.	Blue.
7.4.	Increase attendance at 'meet the buyer' or equivalent events to cover areas of concern, engage with local suppliers and advice on how to become a supplier to the Council. Encourage main contractors to engage with SMEs through the inclusion of Community Benefit clauses.	Organise a Council wide Meet the Buyer event and consider joining the Supplier Development Requirement for Inclusion of Community Benefit clause now mandatory for all contracts with a value of over £4m.	Meet the Buyer events took place in August 2016 and October 2017 and membership of the Supplier Development Programme. Continuing membership under review. Third Meet the Buyer Event planned for 10 October 2018	Ongoing.	Blue

7.5.	Encourage suppliers to the Council to access support available to business, via Business Gateway Orkney and the Supplier Development Programme.	Construction was one of the main focus areas for the Meet the Buyer Event on 25 August 2016.	Meet the Buyer Event 2018 October event planning commencing May 2018, a different focus planned for each next event, possibly Transport, to be confirmed.	October 2017.	Blue.
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8. E-Procurement.

The Council has yet to implement a process for the replacement of all paper-based purchase ordering systems with a modern e Procurement system and where appropriate with corporate purchasing cards.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
8.1.	To implement an e-Procurement system by December 2017.	Public Contracts Scotland portal is used for all tender opportunities with a value of over £50,000 for goods and services and works providing an effective and secure e procurement system.	PCS portal use is mandated across the Council. Contract award reminders sent out monthly to all service areas.	Completed.	Blue.
8.2.	To consider (as appropriate) use of e-procurement tools (e.g. e-tendering and e-European Standard Procurement Document (ESPD) (i.e. PCS-Tender)).	Training of staff needed prior to authorised usage of PCS-Tender.	Training has been completed for PCS-Tender which took place in January	December 2017.	Blue.

			2018. Electronic-ESPD now available for PCS which is in use by a number of Procurement Officers.		
8.3.	To maximise the use of the PCS 'QQ' facility for low value / low risk procurements.	Briefing note distributed to all staff. Alternative methods of information dissemination iLearn modules under consideration.	QQ usage significantly increased – paper tenders only used on an exceptional basis only.	March 2018.	Blue.
			ILearn module under development.	December 2018.	Green.
Indicator			Actual	Target (Actual)	
Period			2015 to 2016.	2016 to 2017.	2017 to 2018.
Percentage of invoices paid within 30 days.			79.21%.	80% (79.9%).	90% (81.1%).
Percentage of invoices using e-procurement/purchase to pay system.			N / A.	4% (systems not in place to record this information).	25% (systems not in place to record this information).
Percentage of procurement undertaken using e-tendering system i.e. PCS – Tender.			N / A.	N / A.	10% (0%).

9. Monitoring and measurement.

Performance measurement within the Council has developed significantly in recent years. In order to measure improvement in effectiveness and efficiency it is important that an agreed set of standard indicators are adopted. The methods of monitoring and

measuring procurement performance are required to be proportionate to the scale and complexity of the Council's procurement activities.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
9.1.	The Council will implement as standard, the Best Practice Indicators that were recommended by the Public Procurement Reform Board as a means of measuring the effectiveness and efficiency of the procurement function.	BPI uploaded to the procurement hub.	Key Performance Indicators (KPIs) reported on via corporate performance reporting system. Not all BPIs reported on directly, Performance Capability Assessment / PCIP pick up these in an alternative format.	Ongoing.	Blue.
9.2.	The PCIP performance reporting framework to be considered for incorporation and adoption of additional Best Practice indicators as appropriate.	Participation in the PCIP planned for July 2017.	Outcomes and recommendations from 2017 assessment to be incorporated into Procurement Improvement Plan.	March 2018.	Blue.

10. Guidance.

An important aspect of the role of the procurement function is to provide guidance and advice to both Council services and to all stakeholders.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
10.1.	The Council will continue to develop procedural guidance as follows: The introduction of standard procurement guidance.	Update procurement manual in line with 2016 legislation and to incorporate new Strategic commitments.	Procurement Manual update in progress.	July 2018. Now complete.	Blue.
10.2.	Provide training in the use of standard procurement guidance.	Training to be developed and accessible for existing and new staff members.	Training accessed via Scottish Government and disseminated to new staff prior to taking up delegated procurement officer duties Basic operational training under development for roll out as an iLearn module.	December 2018.	Green.
10.3.	To develop a purchasing guide for those involved in the ordering of supplies and services.	Procurement manual in place.	Procurement manual under review to match the new CSOs as approved in June 2016. Liaise with finance / review of relevant procurement sections - purchase to pay procedures	July 2018.	Green.

			to be developed in conjunction with the Integra Project Team.		
10.4.	To review and publish standard selection questionnaire (ESPD), tender documentation and standard letters.	Standard documentation developed and in place.	ESPD (which replaces the Pre-Qualification Questionnaire) Standard documentation is in place for supplies and services. JCT and NEC contracts utilised for engineering and works contracts. New CSOs provide for the adoption of the ESPD and use of Routes 1, 2 and 3 of the procurement journey ensuring that the most up to date documentation is used.	Complete.	Blue.
10.5.	One suite of terms and conditions for all Council Requirements.	Standard terms and conditions under review.	Publish reviewed terms and conditions on staff portal and Council website by end of	May 2018.	Blue.

			2017. New General Data Protection Regulations legislation incorporated and published on the Council's website.		
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11. Training.

The Council recognises that training and development are essential to an effective procurement function and that this is a key element of the McClelland Review and the ongoing Procurement Capability Assessments.

Council commitment.		Action.	Progress to date.	Completion date.	BRAG.
11.1.	Develop training to ensure that procurement activities are compliant with legislation and obtaining value for money.	Training materials to be developed or accessed via Scottish Government or Scotland Excel training courses.	Training to ensure a wide range of officers both operational and at a strategic level were aware of the implications of the new legislation was undertaken in March 2016. Suite of iLearn training modules under development. Basic Procurement Awareness due to be launched first in	December 2018.	Green.

			December 2018 – under development.		
11.2.	Develop a training plan to meet the training needs of the Network of Procurement Officers with Delegated Authority to carry out procurement activities. Ensure that Procurement Officers with Delegated Authority receive training in relevant legislation when changes take place.	Procurement awareness iLearn and fraud awareness under development. Resources for sustainable procurement and contract management iLearn modules or similar to be identified.	Draft training plan to include a suite of iLearn modules under development to include, procurement awareness, contract management, sustainable procurement and procurement fraud awareness. Consideration of potential e learning modules in progress. Still under development.	September 2018 for initial two modules and December for full suite of iLearn modules.	Green.
11.3.	To maintain a lessons learned log to ensure that organisational learning is captured and available for continuous improvement.	Distribute lessons learned log to network of Procurement Officers with delegated authority and share materials from training events attended by senior officers where relevant.	Lessons learned log updated on a regular basis and to be located on the staff portal and referred to in a briefing note to SMT / CMT.	November 2017 and on an ongoing basis.	Blue.

Appendix 3

Forward Plan for Regulated and Unregulated Procurements

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Provision of Framework Agreement for the Supply and Delivery of Catering Products (Milk, Fish, Bread and Morning Goods, Groceries, Fruit and Vegetable, Frozen Products, Dairy Products and Fresh Butchers Meat).	New.	April / May 2018.	October / November 2018.	November / December 2018.	£4,068,000 (including NHS Orkney).
Young Persons Accommodation Based Housing Support.	Re-let.	March 2018.	August 2018.	September 2018.	£950,000.
Personalised Care and Support Services in Orkney for Individuals with Complex Needs (Framework Agreement Call Offs).	New and re-let.	Various 2018 to 2021.	Various throughout 2018 to 2021.	Various throughout 2018 to 2021.	£4,000,000 (over the lifetime of the framework).
Vehicles and Plant replacement.	New.	Various throughout 2018, 2019 and 2020.	To be advised (TBA).	TBA.	£1,200,000 per financial year.
Vessel Re-fits 2018 individual contracts.	New and re-let.	Various throughout 2018 and 2019.	TBA.	TBA.	TBA.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Vessel Re-fit and Strategic Repair Framework 2019 to 2023.	New and re-let.	Various throughout 2019 to 2023.	Various throughout 2019 to 2023.	Various throughout 2019 to 2023.	£7,800,000 (over the lifetime of the framework).
Cleaning Services (Waiting Rooms and PCs various mainland and island locations).	New and re-let.	Various 2018 and 2019.	TBA.	TBA.	TBA.
Energy Supply Company (Concession).	New.	April 2018.	September 2018.	TBA.	N / A.
Independent Mobility Assessor Services.	Re-let.	August 2018.	September 2018.	September 2018.	£3,000.
Paper and Stationery Supply.	New.	Autumn 2018.	TBA.	TBA.	TBA.
Taxi Hire Services.	New and re-let.	Summer 2018.	TBA.	TBA.	TBA.
Printing of Orkney Brochures.	Re-let.	September 2018.	November 2018.	December 2018.	£30,000 (3-year contract).
Supply and Servicing of Hygiene Units.	Re-let.	October 2018.	December 2018.	February 2019.	£186,000 (3-year contract).
Cruise Liner Shuttle Bus Services.	Extended.	September 2018.	September 2018.	March 2019.	£160,000.
Cruise Liner Shuttle Bus Services.	Re-let.	September 2019.	December 2019 / January 2020.	March 2020.	£700,000 (4-year contract).

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Cruise Ship Welcome and Information Service.	Re-let.	October 2019.	December 2019.	February 2020.	£150,000 (2-year contract).
Telecare Call Handling.	Re-let.	April 2019.	July 2019.	September 2019.	£55,000 (4-year contract).
Security Services Orkney Harbour Authority.	Extended.	June 2020.	August 2020.	September 2020.	£140,000 (4-year contract).
Stepdown Accommodation Based Services.	Re-let.	January 2020.	February 2020.	April 2020.	£42,000 (2-year contract).
Servicing and Leasing of Student Accommodation in Kirkwall.	Re-let.	April 2020.	June 2020.	August 2020.	£20,000 (4-year contract).
Ballast Water Sampling.	Re-let.	December 2019.	February 2020.	April 2020.	£49,000 (3-year contract).
Various IT Contracts.	New and re-let.	Various 2018 and 2019.	TBA.	TBA.	TBA.
Cemetery Extension to Holm and St Peters Cemeteries.	New.	Summer 2018.	Autumn 2018.	Winter 2018.	£310,000.
External Wall Insulation and Roofing to Stromness Academy.	New.	Spring 2018.	June 2018.	September 2018.	£430,000.
Boiler and Controls replacement Stromness Swimming Pool.	New.	Spring 2019.	Summer 2019.	Autumn 2019.	£161,000.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
St Andrews Primary School Extension.	New.	Summer 2018.	Winter 2018.	Spring 2019.	£2,800,000.
External Wall Insulation to Hope Primary.	New.	Spring 2019.	TBA.	TBA.	£402,000.
Soulisquoy Infrastructure.	New.	Spring 2019.	Spring 2019.	Summer 2019.	£3,000,000.
Kirkwall Care Home.	New.	Spring 2019.	Spring 2019.	Summer 2019.	£113,000,000.
Various Bus Contracts.	Re-let.	Summer 2019.	December 2019.	January 2020.	£13,000,000 (5-year contract).
Scapa Flow Visitors Centre.	New.	Spring 2018.	August 2018.	October 2018.	£2,700,000.
Smmidybrae – Provision of Additional Bore Holes.	New.	Spring 2018.	Winter 2018.	Spring 2019.	£341,000.
Smiddybrae – Ground Source Heat Pump.	New.	Spring 2019.	Summer 2019.	Autumn 2019.	£459,000.
Cemetery – Stronsay.	New.	Spring 2018.	June 2018.	October 2018.	£200,000.
Hatston Shed.	New.	Winter 2018.	Spring 2019.	Spring 2019.	£500,000.
Barrier No. 1 – Resurfacing.	New.	2019.	2019.	2019.	TBA.
Kirkwall Townscape Heritage Initiative.	New.	June 2018.	September 2018.	October 2018.	£800,000.
North Ronaldsay and Eday – Runway resurfacing.	New.	Spring 2018.	June 2018.	August 2018.	£250,000.
Eday Linkspan Painting.	New.	Spring 2018.	June 2018.	July 2018.	£117,000.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Nursery Expansion – Various Properties and Contracts.	New.	From Spring 2018.	From Winter 2018.	From Winter 2018.	£2,500,000.
Kirkwall Harbour Pier Deckslab Repairs.	New.	Winter 2018.	Spring 2019.	Spring 2019.	£250,000.
Low Carbon Travel and Transport and EV Charging.	New.	October 2018.	November 2018.	November 2018.	£300,000.
LED Installation.	New.	October 2018.	November 2018.	November 2018.	£300,000.
Road Surfacing Programme.	New.	October 2018.	November 2018.	November 2018.	£80,000.
Hatston Access Road Resurfacing.	New.	September 2018.	October 2018.	October 2018.	£200,000.
Home Energy Efficiency Programmes for Scotland: Area Based Scheme.	Re-let.	September 2018.	January 2019.	March 2019.	£500,000 (5-year contract).
Heat Pump Servicing.	Re-let.	Winter 2018.	Spring 2019.	Spring 2019.	£140,000.
Orkney Mainland Measured Term Contract.	Re-let.	Autumn 2018.	January / February 2019.	1st April 2019.	£3,800,000.
Orkney Library and Archive – Insulation.	New.	Spring 2019.	Summer 2019.	Summer 2019.	£131,000.
Orkney Library – lighting.	New.	TBA.	TBA.	TBA.	£108,000.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Orkney Library – air conditioning.	New.	Autumn 2018.	Winter 2018.	Spring 2018.	£70,000.
Fixed Telephony.	New and re-let.	2018 / 2019.	TBA.	TBA.	TBA.
Anticipated Long Term Capital Projects.					
Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).
Orkney Waste Management facility.	New.	TBA.	TBA.	TBA.	TBA.
Renewables Project (Scale Wind) various.	New.	TBA.	TBA.	TBA.	TBA.
Private Wire Project various.	New.	TBA.	TBA.	TBA.	TBA.