Each year the Council approves a strategic approach to the development and management of the supply chain which supports services to the communities of Perth and Kinross. This document sets out the ways in which Councils' strategic objectives will be met and value achieved through purchasing decisions.
Foreword

The Council continues to deal with rising demand, at a time when our budget is reducing. We have a strong track record of managing our finances and delivering efficiency savings, which means that while we are facing an uncertain future, we can do so with confidence in our ability to meet the challenge.

In these circumstances, embedding a strategic approach to procurement and adopting innovative, commercially focused practices in the management of our spend with third parties (over £200m per annum), must play a significant role in meeting such challenges, whilst supporting the Council’s broader aims of achieving better outcomes for our communities.

Our 2018/19 strategy builds on the transformational work we have undertaken in respect of our procurement in recent years. The development of skills and new approaches to sourcing help us contribute to a more prosperous, fair and sustainable economy.

This revised Procurement Strategy sets out how the Council will take the next steps to direct its external spend on goods, services and works to meet our objectives. Our focus will be on the work we need to do to achieve savings, meet our legal obligations and to deliver wider local economic, environmental and social benefit in communities.

Councillor Lyle
Leader of the Council

Bernadette Malone
Chief Executive
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1. Executive Summary

All public bodies which spend more than £5 million in a financial year are required to prepare or revise their procurement strategy annually. This document, prepared for the financial year 2018/19, is a revision of our strategy and building on the approach to procurement we agreed in December 2015. The strategy recognises that effective, well constituted procurement work can positively support the achievement of objectives set out in the Community and Corporate plans for Perth and Kinross and sets out the focus of improvement work in the coming year.

In September 2015 the Council approved a Procurement Transformation project which sets out the required improvements to our procurement approach, to prepare to respond effectively to the challenges facing the public sector. Transforming procurement is only one element of the Council’s Building Ambition Transformation Strategy which sets out the themes for improvement across all areas of Council work. The Procurement transformation project is set to deliver a recurring saving of £2.5 million per year by 2018/19. We will deliver on the remainder of this target by working closely with all Council Services to optimise the ranges of goods and services we use and achieve best value for money.

Our improvement work on procurement has laid a strong foundation on which to build. The focus for the coming year will be on how that can be used to secure additional social value from the way in which we work with our supply chain; supporting our strategic objectives of:

- **Giving every child the best start in life**
- **Supporting people to lead independent, healthy and active lives**
- **Developing educated, responsible and informed citizens**
- **Creating a safe and sustainable place for future generations**
- **Promoting a prosperous, inclusive and sustainable economy**

How we manage the agreements and relationships we have with third parties plays a key role in achieving success under each of these themes.
2. Vision for procurement

Since setting out our strategy at the end of 2015 we have worked toward a vision for procurement which aims:

“To achieve commercial excellence in our procurement activities and ensure that we deliver Best Value services to the communities of Perth and Kinross.”

“To do so in an effective, efficient, ethical and sustainable way that delivers local economic, environmental and social benefits.”

During 2016 and 2017 we focussed on increasing the efficiency and effectiveness of our commercial agreements, both in terms of how they are put in place and how they are managed while in operation. In the coming year we will work on enhancing the social value we achieve from working with our supply chain. We will do this by:

- Maximising the use of community benefit clauses in our contracts to meet the needs of communities in our area
- Optimising the way we work with supported businesses and social enterprises to respond to the needs of a broad range of people in local communities
- Review the Fair Work practices of all third parties with which we contract, with a view to encouraging the participation of employers in the development of a Fairer Perth and Kinross

The overarching aim for all expenditure is to deliver the most effective solutions to support innovation, growth and fairness in our area. By using the third year of our strategy to build on social value in our contracts we will play a part in meeting the recommendations made by the Fairness Commission for Perth and Kinross and specifically, recommendation 9 of the report which states:

*Inclusive economic growth creates opportunities for everyone and fairly distributes the benefits of increased prosperity across society, both in monetary and non-monetary terms. The Community Planning Partnership should maximise the opportunities of inclusive economic growth initiatives by applying a high weighting to social value criteria for all procurement and contracting arrangements for goods and services.*

For more information on the work of the Fairness Commission for Perth and Kinross and the Fairer Futures report [click here](#)
3. Context

The Council works in an increasingly complex, dynamic and challenging environment. It is important to consider the context and drivers for change that have informed the development of this strategy. The purpose of this strategy is therefore to set out how Perth and Kinross Council will direct its expenditure on goods, services and works to meet the needs of the communities it serves.

Working with our partners and our communities, a Community Plan, which sets our course for working together, was developed in 2017. The Council’s intent for delivering on our part of the Community Plan is set out in our Corporate Plan. It demonstrates the Council’s commitment to improving services, enhancing the quality of life of our citizens and making best use of public resources. It gives a commitment to deliver excellence through developing our people, modernising our organisation and working constructively in partnership with other bodies to deliver high quality services to our local communities.

Procurement has a key role in sourcing the goods, services and infrastructure needed to realise these objectives. More innovative approaches to procurement and commissioning have been developed. An example of this in practice includes the use of a new opened ended contracting model for public transport – known in the legislation as a ‘dynamic purchasing system’. This has led to greater stability in the provision of these services, facilitating investment decisions on the part of service providers and cost reductions in delivery. For the final year of the strategy we will continue to explore ways of using the defined procurement procedures in creative and innovative ways to meet our strategic objectives.

All procurement work undertaken by the Council will be in support of activities approved through the Council’s decision making and budgeting processes. The Contract Delivery Plan provided with this Strategy document sets out all planned procurement activity required to deliver the priorities for which the budget was set. Links are made in the document to relevant information published on the Council website.

In pulling all of these policy areas together the common thread is social value and in 2018/19 we will explore the ways in which we can access more of our requirements in a way which has the most positive social impact. Social value will be achieved by placing an obligation, through our contracts, for those organisations with which we work to support us in improving the economic, social and environmental wellbeing of our area.
Working across agencies and sectors

How we work with other public bodies, our community planning partners (CPP), is a key part of maximising efficiencies in procurement processes and outcomes. For procurement matters we are involved in several collaborative arrangements, including the Tayside Procurement Consortium (TPC), the Scottish Government procurement team and Scotland Excel.

Our partnership with Dundee City and Angus Council’s is constituted by the Tayside Procurement Consortium. The Consortium has its own strategy which provides an overarching approach for the three Councils. This strategy aligns to the objectives set out for our partner councils in Tayside. Therefore this Council strategy should be considered in conjunction with the Tayside Procurement Consortium procurement strategy 2015-2020.

We are also part of an informal group with the procurement teams of some CPP bodies; we call this TOPIC (Tayside Opportunities for Procurement in Collaboration). Recently we have created a sub-group so that we can better focus on how we can use our joint working to realise more social value from the work we do together.

During the coming year we will explore how we can build on our existing approach to collaborative work in Tayside. A recently concluded review of the resources, processes and systems used by the three Councils has resulted in a recommendation for strengthening the collaborative model for procurement in Tayside. Preparations for launching a new delivery model will take place during 2018/19.
4. Aims, Objectives and Key Priorities

This strategy was approved in 2015 and implementation started from January 2016. Progress made against the aims and objectives to date are set out in the Annual Reports for 2016/17 and 2017/18 which are published on the Council's website.

The aims approved at the beginning of our three year strategy are set out in the following pages. In the first two years of delivery significant progress has been made in delivering cash savings and efficiency in the Council's approach to procurement.

The agreed themes for development in 2015 were:

- **Savings** – ensuring we optimise the money spent in working with third parties to deliver public services
- **Systems** – enhancing our process and tools used to ensure the approach we take is as efficient as possible
- **Sustainability** – using the spend we have available to make the greatest impact possible on the social, environmental and economic wellbeing of our area.

How we set out to achieve those aims and objectives is summarised in the following table and our annual reports provide information on the progress made in respect of each area of improvement. During 2018/19 further work will take place to conclude the actions we committed to deliver.

A full table of remaining actions and the plans for delivery has been prepared for 2018/19. The detailed operational action plan will be managed by the Corporate Procurement Manager. The Council's Head of Community Planning, Strategic Commissioning & Organisational Development will have responsibility for the improvement programme and delivery of the objectives.
### Strategic Aim

#### Savings

**To deliver savings and Best Value whilst improving outcomes for our communities through our procurement activities**

- By challenging the status quo and changing patterns of demand
- By incorporating social value requirements in appropriate contracts
- By working together and in collaboration with others to identify opportunities for economies of scale
- By making the best possible use of market research and benchmarking
- By reviewing and investing in our systems to develop a pipeline of procurement opportunities and provide quality data to inform decision making and identify priorities
- By engaging early with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service users requirements
- By embedding the measurement of benefits achieved through procurement and reporting regularly of what has been achieved – in cash and non-financial terms

### Systems

**To embed a more innovative and commercially focused approach to procurement across the Council to simplify processes, deliver best value and reduce risk**

- By clarifying roles and responsibilities of those involved in procurement exercises and ensuring that these are used to best effect
- By considering how best to allocate resources to deliver procurement activities and, create the level of expertise required in key commodity areas
- By developing staff through appropriate training and mentoring
- By standardising and simplifying our procurement processes and documentation
- By improving the Councils’ approach to contract and supplier management to ensure that contracts are delivering value and innovation throughout their life cycle
<table>
<thead>
<tr>
<th>Perth and Kinross Council</th>
<th>Procurement Strategy</th>
<th>April 2018 to March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• By publishing regular <strong>performance and compliance reports</strong> for review by elected members&lt;br&gt;• By being recognised as a “<strong>customer of choice</strong>” by our supply base</td>
<td></td>
</tr>
</tbody>
</table>

**Sustainability**

**To secure maximum social value from the Councils’ considerable spend with third parties by embedding sustainable procurement as “business as usual”**

|                          | • By thinking innovatively and strategically about how the Council spend can best meet the needs of communities, using a range of **options for delivery**<br>• By **early engagement** with key stakeholders to seek input<br>• By adopting a **corporate defined approach** to procurement<br>• By maximising the **use of Community Benefit clauses** in all appropriate contracts<br>• By designing contract strategies to **maximise accessibility** to suppliers of all sizes<br>• By developing and maintaining a corporate risk register specifically for contracts to **reduce risks** and identify common areas for improvement. |
5. Spend

In the three years covered by our strategy we will manage spend averaging around £240 million per annum (2016/17 = £227m, 2017/18 £255m). This covers the work we do with all third party suppliers, including commissioned services, our infrastructure projects and the procurement of goods and services.

Where possible we will consider how best to tap into the wider resources of the public sector. Collaborative partnerships are a key part of maximising efficiencies in procurement processes and outcomes. Our Strategy for delivering an effective portfolio of contracts includes use of contracts formed by the Tayside Procurement Consortium, Scotland Excel and the commercial team of the Scottish Government – Scottish Procurement.
We also make use of other collaborative arrangements available to local authorities in Scotland where it makes practical sense to do so. This includes the portfolio of contracts made available by both the Scottish Government, through Scottish Procurement and the UK government, through the Crown Commercial Service.

Key delivery partners for the Council are Scotland Excel and the Tayside Procurement Consortium with many of our regular purchases being made through frameworks which facilitate joint working with other local authorities. Our work with Scotland Excel includes use of the wide range of sourcing agreements available as a result of our membership.

We influence the requirements which are then included in the tenders issued by Scotland Excel by participating in planning groups and providing historic data on usage. Typically Perth and Kinross draws down from more than 95% of the agreements, including goods such as bitumen which are sourced through Tayside Contracts.

Scotland Excel also provide support for enhancing procurement capability and have a pivotal role in how local authorities work together to share good practice and improvement plans for procured services. Perth and Kinross participates in the planning and delivery of this support service through the Procurement Improvement Programme Steering Group.

To further enhance our collaboration we work with the East Central HubCo territory partners; Amber Blue and more recently with the Scottish Procurement Alliance and Scape Procure to deliver elements of our capital programme. These mechanisms afford us efficient and effective means of identifying routes to delivering on some of our larger infrastructure projects.

The procurement work we do is distributed between collaborative and direct procurement work. Our aim is to continue to develop this approach to maximise the impact of collaborative procurement for the Scottish public sector as a whole.
6. Financial Information

Budget Information

The Council’s Medium Term Financial Plan sets out the challenges for the next three years and is the basis on which the Final Revenue Budgets are set. A detailed Revenue Budget for 2018/19 and the following two financial years were approved at a special meeting of Council on 22 February 2018. The detail of the 2018/19 budget has been published [here](#).

A composite capital budget for the period 2016-2022 has been set. A review of the funded projects will be undertaken by Council in June 2018.

Each of the budgeted activities which will result in procurement work has also been included in the Council’s **Contract Delivery Plan** which can also be viewed on the Council’s website, [here](#).

Contracts Register

A key dataset the Council publishes is the Contracts Register of procurements that have been awarded. A searchable format of the Register can be viewed [here](#).

The search functions on Public Contracts Scotland can be used as a data source for exploring the contracting plans of a wide range of public bodies, including Perth and Kinross Council. The data can be viewed online, with opportunities to search for specific contracts or themes. The data can also be downloaded as an Excel spreadsheet or a .csv file.

The maintenance and publication of a Contracts Register is a statutory duty, applicable to all public bodies spending in excess of £5 million per year.
7. Recommendations

Enhancing the outcomes we achieve through our Improvement Plan

In Section Four of this strategy we laid out our high level aims and objectives which are relevant to the full three period of our strategy. Throughout the period of the strategy delivery of these aims and objectives have been managed through an operational action plan.

This section of our Strategy for 2018/19 draws out the most significant enhancements we aim to make in the coming year.

Further develop the Social Value delivered from contracts by working in partnership with our suppliers

Social and Economic Impact

We are focused on developing our approach to how we access, manage and monitor the use of community benefits in our contracts to ensure the additional benefits offered by our suppliers will deliver the best possible social value for the communities of Perth and Kinross. During 2017/18 we have been working on a new approach to how we link the community benefit clauses in our contracts to projects identified in communities. In this way we intend to take a more proactive role in targeting the social value offered from community benefits to have the highest impact. We have been creating a database of community requirements and set out how we will work with suppliers to identify opportunities which best meet their own corporate social responsibility (CSR) objectives. This information will be published with relevant contracts from 2018.

We will also create more opportunities to access the goods and services offered by organisations which identify as supported businesses. These organisations have employment policies which mean that at least 30% of their workforces are people who are
experiencing disadvantage in terms of their employability. Procurement legislation allows public bodies to reserve contracts for delivery by supported businesses only. This legislation is in place to encourage public bodies to use their spend to create opportunities for these workforces. Perth and Kinross Council already use a number of supported businesses and will aim to expand on this during 2018/19.

Another area of focus will be how we work with existing or emerging social enterprises in Scotland. A census carried out in 2017 identified 5,300 social enterprises in Scotland with 599 (11%) having started in the previous 24 months. This sector of the business community has significant potential to support the changing landscape for public services in Scotland. Working locally to understand how that impacts on communities within Perth and Kinross will be a key part of our activity in 2018.

We will do this by engaging with registered social enterprises to understanding more about the potential that can help achieve local aims. Where evidence suggests the social sector may have a significant offer and role to play we will consider smaller-sized contracts. It is anticipated that this sector, along with the third sector, will continue to develop in response to legislation such as The Social Care (Self-directed support) (Scotland) Act 2013. The role of the Council in this context is to provide, or signpost to, as broad a range of solutions as are available from all third parties.

In all contracting work, including that undertaken beneath collaborative framework agreements, we will ensure that value is the primary means of assessment: this includes environmental and social value. There is an active intention for Perth and Kinross Council, and our CPPs to achieve this by commissioning for outcomes not outputs, and to pick those outcomes smartly.

**Fair Work**

In the work which is carried out to establish contracts we are committed to work with our third party providers to promote the value of Fair Work for all. Fair Work is defined as work that offers effective voice, opportunity, security, fulfilment and respect. We consider all dimensions of the Fair Work Framework to be relevant in the wide range of working environments in which Council contracts operate.

The ways in which Fair Work practices will impact on the quality of the contract will differ depending on the nature and size of the contract. Different elements of the Fair Work Framework will be more relevant to target in some contracts depending on areas of risk and the likely impact of Fair Work on the quality of the contract.

Our processes for selecting suppliers include requirements for prospective contractors to provide information on their approaches to various elements the Fair Work agenda. We ensure that those bidding for our contracts are compliant with employment law, as well as make suitable arrangements for sound health and safety and wellbeing of those working on the contract; or affected by the work carried out.
Our consideration of Fair Work will allow us to explore practices in respect of recruitment, retention and the types of employment contracts in use. Through our use of community benefit clauses our approach to skills development and training opportunities is growing, with the positive impact being recorded in our Annual Report. This aligns to the aspiration to run our construction contracts in a manner that is consistent with the Construction Charter, and we will work with contractors to advance this agenda. We also acknowledge existing national agreements in place in the construction sector and will strive to work with the contractors exhibiting high standards in respect of workforce practices.

As an Accredited Living Wage employer Perth and Kinross will also encourage third parties working on our behalf to pay the Scottish Living Wage. Procurement exercises carried out in 2016 and 2017 have successfully secured living wage payments to employees working on our behalf.

**Environmental Impact**

Perth & Kinross Council have identified the need for a proactive approach to transform around the way we buy, use and dispose of single use materials generated from the organisation’s service delivery.

The Council will undertake a cross service consultation and review practice with buyers and people who use our services. This intention is a reflection of our organisation’s desire to be at the leading edge of public policy due to our power to leverage meaningful change from our operational waste management.

The aim of this review is to reach agreement on:

- The single use materials in scope (e.g., single use: plastic or paper-based cups/cutlery/tableware; water bottles; straws; paper towels; other consumables, such as aprons used in care; foil trays etc.);
- Identify alternative reusable material options and related servicing requirements;
- Potential operational working practice impacts;
- A full life costing assessment of disposable vs reusable by type;
- The financial implications or savings derived from purchasing or implementing new materials and practices;
- A comprehensive equalities impact assessment for vulnerable persons in the Council’s care;

The findings of the review may lead to new contracting procedures or variations to existing purchasing arrangements.
Enhance the ways in which we offer support to businesses.

We will work with the business community to identify appropriate support mechanisms to ensure all those interested in becoming more familiar with our procurement processes have the information they need. Support offered to businesses, including the third sector, is primarily carried out in one of three ways; provision of information, provision of training and the provision of feedback.

Information is both published and also provided through events. Published information aims to make the procurement work of the Council more transparent. Each new contract, directly procured, will be advertised on the national advertising portal, Public Contracts Scotland. This portal also facilitates the publication of our Contract Register and the Contract Delivery Plan. Together these tools can be used to improve the transparency around Council procurement activity. Events can be contract specific as well as general; specific events help us to shape contracts with a better understanding of the market. General events include a national Meet the Buyer conference run by the Supplier Development Programme (6 June 2018) and a Tayside Meet the Buyer (27 Feb 2018). One to one surgeries are also offered on request and during 2018/19 we will work with suppliers to evaluate this approach, with a view to broadening the offer if required.

A programme of training for businesses is offered in conjunction with the Supplier Development Programme. The programme for 2018 has been structured so that a training session takes place in Tayside in every month of 2018.

Every participant in a procurement exercise, including collaborative procurement, is already invited to participate in a feedback session on the process followed. This offer is made in order to facilitate two way feedback about the ways in which the process can be improved or the way any given company engaged in the process can build on their experience.

We will continue to develop the support offered based on what businesses tell us is useful.

Explore opportunities for greater collaborative working across Tayside particularly, but also across the whole public sector generally.

The Council already has a strong track record on working collaboratively on procurement. The principle vehicles for collaborative procurement and the extent to which we used each during 2017/18, are set out in section 5 of this strategy.
The next steps for collaboration will be to develop on our partnership working building on the work carried out by the Tayside Procurement Consortium. We will strengthen our agreement to work with Angus and Dundee City Councils on contracts by structuring our teams in a way which is beneficial to all three councils.
8. Monitoring, Reviewing and Reporting performance

Reporting
Ensuring that procurement performance is reported regularly to an appropriate committee was highlighted as an essential requirement in the Accounts Commission Report on Procurement in Councils. Progress on the delivery of this strategy and a report on procurement savings and non-financial procurement benefits will be considered by Council committees on an annual basis.

Monitoring
Regular updates on this strategy will be provided to the Council’s Executive Officer Team and to the Modernising Governance Member/Officer Working Group. Updates will include progress being made to meet the aims and objectives set out in Section Four of this strategy and on the execution of the recommendations in Section Six.

Review
In alternate years an independent review of the Council’s procurement capability will be undertaken. The Council procurement functions are benchmarked against an assessment tool, the Procurement Capability and Improvement Programme (PCIP). The assessment requires the submission of defined range of data and documentation as well as an on-site visit by the assessors. It is expected the next review will take place in late 2018.

In 2016 the PCIP assessment placed the Council capability in band 3 (61-65%). Our aim is to move into band 2 (66-70%) and have this evidenced by our next assessment. Learning which we take from each assessment is used to inform the Procurement Improvement Action Plan.

Revision process
This strategy will be reviewed by 31 March 2019. There is potential that future strategy documents will reflect a more aligned procurement relationship with Angus and Dundee City councils. From 2018 publishing an annual procurement strategy is a statutory requirement and we will publish ours in April each year.
9. Strategy Ownership and Contact Details

Procurement is included in the portfolio of the Deputy Chief Executive, Chief Operating Officer; Jim Valentine.

The Council’s Procurement Team sits within the Corporate and Democratic Service of the Council structure and within Community Planning, Strategic Commissioning and Organisational Development division which is led by Lorna Cameron.

The Corporate Procurement Manager, Mary Mitchell, has responsibility for managing the provision of a professional procurement service ensuring that legislation, agreed policies, professional standards, procedures and principles are followed.

Contact details

Perth and Kinross Council
2 High Street
Perth
PH1 5PH
01738 475521
contracts@pkc.gov.uk
10. Policies, Tools and Procedures

Policy - Developing our Supply Chain

The Council fully considers how the following matters can be addressed, where appropriate, in its procurement activities:

- The payment of a living wage in relevant contracts.
- The inclusion of community benefits requirements.
- The engagement and involvement of those affected by the procurement exercise.
- The promotion of compliance by contractors and sub-contractors with Health and Safety at Work legislation.
- The procurement of fairly and ethically traded goods and services.
- In relation to procurement activities relating to food, the Council will consider how to procure sustainably grown food which represents value for money whilst improving the health, wellbeing and education of communities in our area and promoting the highest standards of animal welfare.
- The payment of invoices in line with contractual terms throughout the supply chain.

Each of the icons above provides a link to more detailed information on the policy area via www.pkc.gov.uk.
Policies, Tools and Procedures continued

Tools

We will use as many of the tools available to us as are practical to ensure we engage with those affected by our procurement. Some routes to engage with communities and businesses include:

Local Action Partnerships working within communities across the Perth and Kinross area.

Where appropriate we will signpost businesses to the national support tool; the Supplier Journey.

We will facilitate access to training in procurement processes or systems when we make changes to our practice. We are members of the Supplier Development Programme which provides a range of free tender training workshops across Scotland.

We will work with those affected by our procurement to ensure our communication with businesses and suppliers continues to improve.

Our Contracts Register will be maintained to ensure that we are transparent about the contracts we use.
Policies, Tools and Procedures continued

Procedures

Tendering
How the Council undertakes procurement is set out in our Contract Rules. These rules outline the governance we need to follow when putting a contract in place. We are required by these rules and legislation to carry out procurement in a fair, transparent and non-discriminatory way.

The Council will identify the most efficient route to market for all requirements. This will mean that a range of collaborative vehicles may be used. Award notices will be published for use of frameworks exceeding a value of £50,000.

When a new competitive procedure is required we will follow this structure:

- From **£5,000 to £50,000** we will invite quotations from a minimum of 3 bidders.
- For contracts valued at **£50,000 up to the thresholds set out in the EU directives** we will carry out one of the processes set out in the Procurement (Scotland) Regulations 2016; via an advertised tender.
- **EU regulated contracts** are those above defined values and must be tendered following the Public Contracts (Scotland) Regulations 2015. **Thresholds:** Goods and Services = £181,302; Social services = £615,278 and works = £4,551,413.

In each case we will use [Public Contracts Scotland](https://www.conta... as the portal for advertising our requirements.

All requirements regardless of possible procurement routes will be included in both the Council’s Contract Delivery Plan and in the published Contract Register.

Systems
By May 2020 there will be a duty on public bodies to carry out the end to end procurement process electronically. The Council has already introduced electronic solutions to several stages of our processes. During 2018 we will continue to enhance our systems to make sure we are ready for the change.
Glossary

This glossary includes terms used in the Procurement Strategy document and the Improvement Plan.

<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
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</thead>
<tbody>
<tr>
<td>Balanced Scorecards</td>
<td>Used to measure supplier performance against defined indicators.</td>
</tr>
<tr>
<td>Best Value (BV)</td>
<td>The Local Government in Scotland Act 2003, placed a statutory duty of Best Value upon local authorities in the discharge of their functions. The principles make clear that Councils have a duty to &quot;make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness&quot;. This improvement involves consideration of costs, making the most of money spent, and making sure that services meet the needs of communities and authorities' priorities.</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>A process of continuously measuring and comparing an organisation's processes against comparable organisations to gain information to help performance improvement e.g. &quot;best in class&quot; achievement.</td>
</tr>
<tr>
<td>Commissioning</td>
<td>The process of ensuring that the health and care services provided effectively meet the needs of the population. Often a complex process with responsibilities ranging from assessing client needs, prioritising health outcomes, procuring products and services, and managing service providers.</td>
</tr>
<tr>
<td>Commissioned Services</td>
<td>This term is used to describe services for which a third party organisation has been engaged to manage delivery.</td>
</tr>
<tr>
<td>Contract</td>
<td>A binding agreement to perform a certain service or provide a certain product in exchange for valuable consideration, usually money.</td>
</tr>
<tr>
<td>Contracts Register</td>
<td>Published database of the contracts let, and used by Perth and Kinross Council. The contracts Register is updated automatically each time a contract is awarded through the PCS portal.</td>
</tr>
<tr>
<td>Contract Strategy</td>
<td>Outlines the purpose and governance of the procurement exercise. The strategy will reflect the risk, value and strategic importance of the proposed contract to Perth and Kinross Council.</td>
</tr>
<tr>
<td>Equal opportunities</td>
<td>The practice of ensuring that all employees and users of services receive fair and equal treatment.</td>
</tr>
<tr>
<td>European Directives (EU Regs)</td>
<td>Rules and regulations set by the European Union with regard to procurement for public sector organisations – these are mandatory for public sector organisations. This is facilitated by regulations in each member state (see Procurement Legislation from 18 April 2016).</td>
</tr>
<tr>
<td>Following the Public Pound</td>
<td>This term describes the code which the Council follows to ensure information about how public money is used in support of arm’s length organisations, trusts and voluntary bodies. Following the public pound' principles do not apply to conventional contracts which involve councils purchasing goods, materials or services e.g., contracts with a private care home to provide residential care places - information on these is provided in the Contracts Register.</td>
</tr>
<tr>
<td>Governance</td>
<td>The framework of authority and control within an organisation.</td>
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<tr>
<td>TERM</td>
<td>DEFINITION</td>
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<tr>
<td><strong>Official Journal of the European Union/OJEU</strong></td>
<td>The publication in which all high value public sector contracts in the EU must be advertised.</td>
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<tr>
<td><strong>Public Contracts Scotland</strong></td>
<td>A national advertising website where all Scottish public sector organisations can publicise their contract opportunities. This platform links to OJEU and ensures all contract notices for Scottish Public Sector contracts may be reviewed in one place.</td>
</tr>
<tr>
<td><strong>Public Contracts (Scotland) Regulations</strong></td>
<td>Public procurement law regulating the purchasing by Scottish public sector bodies of contracts for goods, works or services for contracts above values defined by the EU Directive for Public Procurement.</td>
</tr>
<tr>
<td><strong>Procurement Commercial Improvement Programme (PCIP)</strong></td>
<td>The objective of the PCIP is to assist organisations to improve their structure, capability, processes and ultimately their performance. A bi-annual assessment is carried out to ensure organisations are performing against the standards set out in the PCIP.</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td>The process of sourcing goods, services or contracts for construction works.</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Fitness for purpose when judged against the standards specified in the contract.</td>
</tr>
<tr>
<td><strong>Scotland Excel</strong></td>
<td>A national collaborative buying initiative representing the 32 Scottish local authorities.</td>
</tr>
<tr>
<td><strong>Scottish Procurement</strong></td>
<td>Part of the Scottish Procurement and Commercial Directorate of the Scottish Government, Procurement Scotland is responsible for developing and implementing contracts for the use of all Scottish public sector organisations.</td>
</tr>
<tr>
<td><strong>Selection Criteria</strong></td>
<td>Factors taken into account when determining whether bidders are appropriately qualified to undertake public work. These criteria are set out in the ESPD.</td>
</tr>
<tr>
<td><strong>Small and Medium sized Enterprises (SMEs)</strong></td>
<td>Firms that employ less than 250 people and have a turnover of less than £50m.</td>
</tr>
<tr>
<td><strong>Social Value</strong></td>
<td>The process through which services to be bought, or the way they are going to buy them, could secure these benefits for their area or stakeholders.</td>
</tr>
<tr>
<td><strong>Specification</strong></td>
<td>A description of the essential technical requirements for goods or services to be delivered under a contract, including the method for checking that the requirements have been met.</td>
</tr>
<tr>
<td><strong>Stakeholders</strong></td>
<td>Individuals, groups or organisations that are affected by and/or have an interest in a particular issue or organisation e.g. customers, partners, employees, shareholders, and government.</td>
</tr>
<tr>
<td><strong>Supplier Engagement</strong></td>
<td>In simple terms, working with suppliers to achieve mutual goals – as opposed to ‘them and us’.</td>
</tr>
<tr>
<td><strong>Supply Chain</strong></td>
<td>The flow of resources into and out of the enterprise’s collective operations. The chain can be said to start with the...</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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<td></td>
<td>suppliers of your suppliers and ends with the customers of your customer.</td>
</tr>
<tr>
<td>Suppliers Charter</td>
<td>A joint statement between the Public Sector Procurement and Businesses sectors committing to facilitating improved access to public sector procurement opportunities.</td>
</tr>
<tr>
<td>Supplier Development Programme</td>
<td>A local authority partnership programme established to offer small and medium sized enterprises (SMEs) the opportunity to grow and diversify through procurement.</td>
</tr>
<tr>
<td>Supported Business</td>
<td>A supported business draws at least 30% of the workforce from the most disadvantaged groups in our communities.</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>Development which meets the needs of the present without compromising the ability of future generations to meet their own needs e.g. the environmental and social impact of today's actions that may affect the ability of future generations.</td>
</tr>
<tr>
<td>Sustainable Procurement</td>
<td>The application of sustainable development principles to procurement (see above).</td>
</tr>
<tr>
<td>Tayside Procurement Consortium (TPC)</td>
<td>The Tayside Procurement Consortium delivers contracts for the three Tayside local authorities, Angus Council, Dundee City Council and Perth and Kinross Council. More information on the consortium's activity can be found <a href="#">here</a>.</td>
</tr>
<tr>
<td>Thresholds</td>
<td>The financial threshold above which certain procedural aspects of the procurement Regulations become mandatory. There are two thresholds, one that applies to most central government bodies and one for other authorities. The current threshold is published on the OGC website.</td>
</tr>
<tr>
<td>Transparency</td>
<td>Being clear with potential suppliers as to what is planned and the steps that will be and have been taken in relation to a procurement process, and performing that procurement process as described in the communications with potential suppliers.</td>
</tr>
<tr>
<td>Values</td>
<td>Represent the beliefs within an organisation and are demonstrated through the day to day behaviours of its employees.</td>
</tr>
<tr>
<td>Vision</td>
<td>A statement describing how an organisation wishes to be in the future.</td>
</tr>
</tbody>
</table>