



Procurement Strategy

September 2017 to March 2020

Procurement Strategy

Contents

1. Introduction

2. Background

3. Strategic aims and objectives

4. Our ambition

5. Our strategy

6. Who we will work with

7. What we will achieve and how we will achieve it

- how our procurement activity contributes to value for money;
- fulfilling our general and sustainable procurement duties;
- delivering quality outcomes;
- wider ambitions;
- procurement capacity and capability; and
- recognised nationally.

8. General Policies

- our policy on ensuring our regulated procurements are carried out in a transparent and proportionate manner;
- our policy on how we intend to ensure our regulated procurements ensuring our procurements are carried out in compliance with the sustainable procurement duty;
- our policy on applying community benefit requirements in our contracts;

- our policy on consulting and involving those affected by our procurements;
- our policy on paying the Living Wage to people involved in delivering our contracts;
- our policy on making sure our providers and sub providers keep to the Health and Safety at Work Act 1974;
- our policy on procuring fairly and ethically traded supplies and services;
- our policy on using contracts involving food to improve the health, wellbeing and education of communities in Scotland and promote the highest standards of animal welfare; and
- our policy on paying invoices in 30 days or less to our providers and sub-providers.

9. Procedures and tools

10. Implementation

11. Strategy ownership and contact details

12. How to do business with North Lanarkshire

13. Appendices

Appendix 1- measuring our success

Appendix 2 - key areas of external expenditure

14. Glossary

1 Introduction

This document sets out our procurement strategy for September 2017 to March 2020.

- 1.1 The council's priorities are set out in our corporate and community plans, our business plan and the single outcome agreement.
- 1.2 We will design our Commissioning and Procurement approach to contribute to these priorities as far as is practical, in a way that achieves value for money, secures economic, social and environmental benefits and makes contracts accessible to businesses (especially SMEs), the Third Sector and Supported Businesses.
- 1.3 We are seeking to maximise outcomes and Best Value from the Supplies, Works and Services that we buy. We will focus our resources on areas which are most likely to lead to benefits such as financial savings, jobs, training and reduced carbon emissions and waste, while encouraging innovation.
- 1.4 Our strategy is centred on a Category Management and a more commercially focused approach, with clear accountabilities, openness and transparency.
- 1.5 The strategy seeks to build on progress to date, capture and build upon expertise and examples of best practice which are available within the council, locally and nationally; from the public, private and third sectors.
- 1.6 It is anticipated that it will take two years for the new strategy to be fully implemented across all areas of the council's external expenditure.
- 1.7 Throughout the life of this strategy we will review and improve upon it, and we will publish in an annual report our performance in delivering it.

2 Background

- 2.1 The council is a unitary authority, the fourth largest in Scotland, and is responsible for the delivery of a wide and diverse range of statutory and discretionary public services.
- 2.2 We deliver our services through a mixed economy acting as both a provider, through direct provision of services using our own workforce and assets, and an enabler with services delivered through private Providers, the Third Sector and Supported Businesses.
- 2.3 We spend around £350 million externally each year, across both revenue and capital investment projects.
- 2.4 We use a variety of contracts, from simple purchase orders to long-term complex partnership agreements. Some contracts are with a single Provider, others are frameworks with multiple Providers. The council procures a wide and diverse range of Supplies, Works and Services, the key areas of external expenditure are summarised at Appendix 2.
- 2.5 In local government, Procurement is governed by a legislative framework which includes;
- European treaties and directives;
 - Regulations; and
 - Case law
- The legislation is encapsulated in our internal rules for Procurement and supporting documents and toolkits.
- 2.6 Because we have a significant level of external spend, national legislation requires us to prepare and publish a procurement strategy.

3 Strategic aims and objectives

The overarching purpose of this strategy is:

- 3.1 to provide an efficient and effective procurement service that delivers Best Value from Procurement activity and where possible cashable financial savings;
- 3.2 to provide quality advice and contracts which deliver quality products and services that help us provide excellent public services; and
- 3.3 to procure the Supplies, Works and Services that we need in a lawful and ethical manner which encourages participation and supports sustainable economic growth for our communities and Scotland as a nation.

4 Our ambition

4.1 At the heart of the strategy sits our ambition to deliver the best Commissioning and Procurement in the country, where:

- we achieve Best Value for the communities and people we serve;
- we support the wider ambitions of the council and its partners;
- we keep to our general and sustainable procurement duties;
- we support the delivery of quality outcomes for service users;
- we have sufficient procurement capacity and capability to support the successful delivery of this strategy, and
- we are recognised nationally as a centre of procurement excellence.

5 Our strategy

- 5.1 Our Procurement activity will be discharged in accordance with the applicable procurement legislation, the councils internal rules on procurement and where appropriate following any best practice guidance issued by the Scottish Government.
- 5.2 We will take advantage of aspects of the new Procurement legislation that provide procurement with greater flexibility and scope to deliver Best Value from Procurement activity.
- 5.3 Our approach to how we buy Supplies, Services and Works incorporates our priorities and the Scottish Model of Procurement. This 'risk and opportunity' based approach allows us to focus our resources on areas which are most likely to lead to benefits such as financial savings, job creation, training and reduced carbon emissions and waste, while encouraging innovation.
- 5.4 We will adopt a Category Management approach, where related Purchasing is grouped together to take advantage of better intelligence of our Buying needs and of what Providers have to offer, and to support bulk Buying where appropriate, in order to improve quality, savings and efficiency.
- 5.5 All categories will work to common principles and rules but outputs will be tailored to meet the needs of the specific category, reflecting the service area, stakeholder needs and the market place, to ensure quality outcomes and Best Value are achieved.
- 5.6 We will investigate a Whole Lifecycle approach, which starts from assessing needs and analysing options, through preparation and Procurement, to mobilisation, Contract Management and contract exit, to ensure quality outcomes and Best Value are achieved.
- 5.7 We will demonstrate clear ownership and accountability within our Procurement activities, with structured governance and assurance, to ensure clear, timely and auditable decision making.
- 5.8 We will build on expertise within service areas and provide appropriate central support and challenge, ensuring lessons are learned and shared, in order to ensure continuous improvement in our Procurement activities.
- 5.9 We will be open and transparent, with a visible and accessible contracts register and forward Procurement Plans, robust management information and clear tender processes and documentation, to ensure a positive and professional relationship between us and our procurement partners and confidence in our approach from the people we serve.
- 5.10 Where appropriate we will consult and engage with stakeholders throughout the Procurement lifecycle, to ensure our procurements properly reflect need and opportunity and take account of the wider context, including the council's plans and strategies, locality working and collaboration with others.
- 5.11 We will invest in our Procurement organisational structure and develop the Procurement skills and capacity of our people, to ensure we deliver an efficient and effective service.
- 5.12 We will maximise the use of technology to underpin and simplify our core processes for both staff and providers.
- 5.13 We will create and share information to allow effective performance management and decision making.

6 Who we will work with

- 6.1 Our refreshed approach to Procurement highlights the importance of engagement with elected members, staff, service users and providers throughout the Procurement lifecycle.
- 6.2 Categories will be managed and Procurements delivered through a team approach, combining the skills and capacities of directorate commissioners and service managers, with appropriate inputs from the corporate procurement team, legal, commercial, business and project management staff, alongside other specialists as appropriate.
- 6.3 The balance of inputs will be flexible to reflect different service areas needs at different times and will be proportionate to the value, risk and complexity of the specific category or Procurement.
- 6.4 We will maintain and continue to develop relationships with Commissioning and Procurement colleagues from other public bodies at a local, regional and national level, particularly to identify opportunities for collaborative procurement and lessons learned from elsewhere. This will include elements of joint Commissioning and shared approaches where this improves outcomes and offers Best Value.
- 6.5 We will continue to develop relationships with organisations representing the private sector and the Third Sector, particularly to identify and resolve any continuing barriers to effective partnership working.
- 6.6 We will continue to support and proactively participate in the Supplier Development Programme which provides free expert advice, training and support to local businesses interested in working with the public sector to help win work and grow their business.

7 What we will achieve, the actions we need to take and how we will measure success.

7.1.1 In delivering our ambition we will seek to realise a wide range of benefits and will undertake a range of activities to deliver these. We will seek improved outcomes, improved value for money and savings, improved governance and assurance, improved engagement and transparency and improved support for the council's wider ambitions.

7.1.2 In order to allow us to have a clear understanding of the council's Procurement activity and performance, we will develop and maintain a suite of performance measures and management reports. This will help us to measure and evaluate if the actions set out in this strategy have made a difference and to benchmark our performance against others. These will be made available to the senior management team and elected members and will be made publically available wherever possible, except where the details are commercially confidential. The measures that we will use to evaluate success are set out in Appendix 1.

7.2 How our procurement activity contributes to value for money

7.2.1 We will secure Best Value by planning ahead and understanding the required outcomes, the risks and benefits and the budget, 'market place' and cost drivers of our categories and Procurements.

7.2.2 We will consider value for money throughout the Procurement lifecycle and will support resource allocation which is proportionate to the value, risk and complexity of the relevant issue or task.

7.2.3 We recognise that Best Value is rarely achieved by simply accepting the lowest priced bid, which is why we will award the vast majority of contracts on the basis of the tender representing the best price quality ratio taking into account

sustainability and quality criteria. Contracts will only be awarded on the basis of price only where the contract is low value and/or in exceptional circumstances.

7.2.4 Through our budget processes we will set targets for cashable savings, on both a one-year and contract life basis.

7.2.5 We will put robust Contract Management arrangements in place and work with our Providers to keep existing contracts under review, identifying opportunities for cashable savings and other efficiencies and to ensure appropriate performance management of our contracts.

7.2.6 We will also seek non-cashable savings, or opportunities for cost avoidance, where we avoid or minimise a price increase, or where we receive more from a contract without an increase in cost. These savings are not usually 'cashable' from a budget perspective, nevertheless they do improve value for money and are important in supporting the council's overall budget strategy and priority plans.

7.2.7 We will ensure that 'off-contract spend', where due to a variety of factors we place orders outside agreed contracts, is kept within an acceptable level. Similarly, we will also ensure that our 'non-contract spend', where due to a variety of factors we place orders where there is no formally tendered contract in place is kept within an acceptable level.

7.3 Fulfilling our general and sustainable procurement duties

7.3.1 We aim to fully keep our legal obligations and to treat all Providers fairly, equally and without discrimination. To help achieve this only staff with appropriate training and experience will oversee Procurements.

- 7.3.2 We are committed to making our Procurements open and accessible to businesses of all sizes and from all sectors, especially SMEs, the Third Sector and Supported Businesses. We advertise our contract opportunities on Public Contracts Scotland portal and in the Official Journal of the European Union where required. We also publish our contract register on the Public Contracts Scotland portal.
- 7.3.3 We will design, whenever we can, each Procurement in a way that encourages participation from SMEs, the Third Sector and Supported Businesses and encourages innovation adopting this approach will help develop our local communities social, environmental and economic wellbeing.
- 7.3.4 For each Significant Procurement we will develop an individual sourcing strategy. Where appropriate, consideration is given in the sourcing strategy to early market engagement, dividing procurements in to lots, reserving contracts for Supported Businesses, securing savings, Community Benefits, Fair Work practices, include energy efficient and environmentally friendly specifications.
- 7.3.5 We will continue to work with representatives from the Third Sector and private sector, including SMEs to identify further options for improvement and will work with regional and national colleagues to streamline pre-qualification and procurement processes and documentation.
- 7.4.2 We will undertake appropriate contract and procurement risk management and assurance throughout the procurement lifecycle, to ensure that desired outcomes are achieved, to reduce the probability and impact of challenge and to ensure that we are not exposed to unexpected costs or other unintended consequences from Procurement.
- 7.4.3 We will communicate, consult and engage as appropriate throughout the Procurement lifecycle with all key stakeholders relevant to the category or Procurement, including end users, Providers and our staff.
- 7.4.4 We will consider equality and diversity as an integral element of each of our categories and Procurements, in line with our general policy on equality and diversity.

7.5 Wider ambitions

7.4 Delivering quality outcomes

- 7.4.1 We will secure positive outcomes from the Supplies, Works and Services that we procure by clearly identifying those outcomes and including appropriate provisions in improved procurement, contract and Contract Management documents and processes.
- 7.5.1 Our Procurement activities will support the Council's priorities and values, ensure that public money is spent wisely but also working as a team for North Lanarkshire, being open, honest and trusted, working with communities and treating people fairly.
- 7.5.2 We will improve the consistency and transparency of our requirements for 'added value' from our procurement activity, by supporting clear consideration of the council's wider ambitions when undertaking Procurements and including appropriate provisions in improved tender, contract and Contract Management documents. Supporting economic, social and environmental wellbeing includes, for example, requirements on employment and skills opportunities and other aspects of Social Value.
- 7.5.3 This procurement strategy is aligned with and supports other council policies and procedures particularly with respect to governance, risk management, community engagement, financial procedures and our approach to project management.

7.6 Procurement capacity and capability

- 7.6.1 To deliver this strategy and a best in class procurement service, requires an appropriately resourced procurement structure and skilled and experienced staff.
- 7.6.2 Each internal service area is accountable for the procurements that they need to deliver the Services and secure the outcomes that they are responsible for, including in some cases joint procurement with partners such as the health service and increasingly for areas of common interest, procurement on behalf of other service areas. The service area owns the preparation of the specification and the evaluation criteria and takes all decisions in relation to the Procurement including the proportion of the budget to be allocated to the contract, the decision to commence a Procurement and the recommendation as to which organisation to award the contract to. The service area is then accountable for mobilising, Contract Management and exiting the contract.
- 7.6.3 The Corporate Procurement Team will continue to develop as a centre of excellence and is accountable for providing a central source of expertise, advice and support, providing checks and challenge as appropriate. At a more detailed level, the Corporate Procurement Team will work with colleagues in service areas through the use of category teams, to ensure consistency of approach and advice and to ensure that procurement staff have appropriate knowledge and experience in respect of the relevant category of spend. Each category team will include specialist staff with high levels of expertise who can provide support to service areas in developing strategic approaches and in delivering the more complex or sensitive procurements, in addition to staff who can support a few of the more straightforward procurements. The category teams will have access to specialist in-house commercial expertise (legal, financial and technical).
- 7.6.4 The Corporate Procurement Team will act as a central source of management information for the council with respect to the council's procurement activity and for reporting performance. It will be responsible for maintaining the council's electronic tender system, electronic ordering system and for publishing a register of contracts awarded and forward Procurement Plans.
- 7.6.5 The Corporate Procurement Team will continue to develop and maintain the council's internal rules on procurement together with best practice documents and toolkits. It will facilitate cross-council discussions relating to Procurement, particularly lessons learned, best practice and innovations and will facilitate access to appropriate training
- 7.6.6 We will support the training and development of our staff to maintain and raise standards across the profession. This will include informal coaching and training and where appropriate more formal training and professional qualification through the Chartered Institute of Purchasing and Supply (the professional body for procurement).
- 7.6.7 We will participate in the national Procurement People of Today and Leaders of Tomorrow programme which aims to improve procurement and commercial skills by working across the Scottish public sector to support a joined up approach to developing procurement professionals and existing and future talent through identified career paths.
- 7.6.8 We will make use of the national procurement competency framework which will help key members of staff to identify opportunities for continuous professional development.
- 7.6.9 Our Procurement and Commissioning staff will also continue to share issues, lessons, best practice and innovations.

7.6.10 We will take part in the national Procurement and Commercial Improvement Programme (PCIP). This will help us to measure and report on our levels of procurement delivery and is based around a series of set questions and other evaluation methods. We will then develop an action plan to help drive continuous improvement achieve maximum value for money, and improve our ability, when Buying Supplies, Services and Works.

7.7 Recognised nationally

7.7.1 A strong national reputation can help the Council and its partners to secure further funding and freedoms. This strategy and supporting documents, procedures and toolkits seeks to capture best practice and once fully implemented should see the council at the forefront in public procurement in Scotland.

7.7.2 In light of continued constraints in public funding a range of commercial responses are emerging to look at where contractual risks and the cost of those risks, is best held, this includes alternative models of delivery and new forms of contracts and funding based on payment by results. Our procurement strategy will continue to keep these areas under review and will provide advice and guidance on these matters.

7.7.3 The strategy is outward looking and uses information and intelligence to shape the approach to each category and to individual procurements.

8. General policies

8.1 The £350 million that we spend Buying Supplies, Services and Works each year is a significant sum. It is right that people expect this money to be spent in a way which delivers the maximum possible benefit for our communities and Scottish society as a whole.

8.2 Our aim is to make sure that this happens, while also carrying out procurement that is legal, transparent and fair and that we design our procurement policies with that aim in mind.

8.3 In this section, we set out our general policies on a number of key areas, together with a statement on how we will monitor these over the life of this strategy.

8.1 Our policy on ensuring our regulated procurements are carried out in a transparent and proportionate manner.

8.1.1 We are committed to acting and undertaking our procurements in a transparent and proportionate manner, accordingly we;

- where appropriate, engage in early market engagement prior to the publication of a contract notice on PCS portal;
- carry out our procurements transparently in compliance with legislation and statutory guidance, for example;
- publishing contract notices and contract award notices on PCS and the OJEU, providing clear documentation and specifications, setting out minimum requirements, evaluation criteria and methodologies; and
- provide tenderers with a comprehensive written debrief on their tender submissions.
- use electronic communication for the majority of our procurement activity; and

- place the minimum possible qualification requirements on potential Providers to be able to bid for our contracts.

8.1.2 Our annual report on this strategy will include a statement about the effectiveness of our approach.

8.2 Our policy on how we intend to ensure our regulated procurements ensuring our procurements are carried out in compliance with the sustainable procurement duty.

8.2.1 A new legislative framework was introduced in April 2016 for sustainable public procurement in Scotland. In line with the new legislation;

- we have incorporated sustainable procurement objectives within this strategy (section 7.3);
- we have updated our internal procurement rules, documents and toolkits to reflect the new legislation; and
- we will embed the use of sustainability tools within our procurement processes (e.g. the sustainability test, the prioritisation tool and the flexible framework).

8.2.2 Our annual report on this strategy will include a statement about the effectiveness of our approach.

8.3 Our policy on applying community benefit requirements in our contracts

8.3.1 We believe that our contracts can help realise a wide range of social, economic and environmental benefits, including better employment opportunities. Community benefits delivered by our contracts have been shown to contribute to local and national outcomes relating to employability, skills development and local regeneration.

8.3.2 If there is an opportunity to benefit the community, we will include appropriate requirements in our contracts in accordance with relevant legislation, statutory guidance and best practice.

8.3.3 If a contract includes a commitment relating to community benefits, the terms of the contract will record what the Provider has to deliver. Overseeing delivery will be made part of our Contract Management arrangements and we will keep a record of the benefits delivered.

8.3.4 We will collect information about delivered benefits and we will report on this in our formal report of our performance against this strategy.

8.4 Our policy on consulting and involving those affected by our procurements

8.4.1 We recognise that it is important to consult and engage with those affected by our procurements and where relevant and proportionate allow the views of those affected to be taken into account.

8.4.2 We continue to engage with our stakeholders in a number of ways, including our Comments, Compliments and Complaints procedure, surveys and public consultations.

8.4.3 Where appropriate, we work with users, potential Providers and others to help us design procurements and determine the route each procurement will take. This may vary from 'light touch' market research to 'engagement days' for Providers, or the design and piloting of services.

8.4.4 We will record any complaints about failure to consult, and our report on our performance will look at these. The report will include information about any conclusions we reach and any measures taken in response to complaints.

8.5 Our policy on paying the Living Wage to people involved in delivering our contracts

8.5.1 We strongly believe that fair work practices and paying the Living Wage can have a positive effect on people's lives and can help to create a fairer and more equal society.

8.5.2 Our policy on paying the Living Wage to those who deliver our public contracts is influenced by our belief that those organisations which adopt fair work practices, including the Living Wage (for example those which have a diverse workforce and whose staff are well rewarded, well motivated, well led and who have appropriate opportunities for training and skills development), are likely to deliver a higher quality of service. A positive approach to fair work practices can have a positive effect on the quality of the services, supplies and work delivered on our contracts. We also believe that if an employer pays the Living Wage they are more likely to be committed to fair work practices.

8.5.3 As a result, the default position in our procurements is to assess and score (where appropriate) the extent to which potential Providers commit to engaging in fair work practices in delivering contracts, and seeking non-assessed information on the potential Providers commitment to paying the Living Wage.

8.5.4 We aim to become an accredited Living Wage employer by the end of April 2017. This is a clear commitment to pay at least the Living Wage for all staff we directly employ and for those who work on our contracts by actively encouraging employers to pay the Living Wage as part of a package of fair work practice in all relevant contracts.

8.5.5 If a commitment has been made in a tender to pay the Living Wage this will form part of the contract, and we will monitor it through our Contract Management arrangements.

8.5.6 Our annual report on this strategy will include a statement about the effectiveness of our approach.

8.6 Our policy on making sure our Providers and sub Providers keep to the Health and Safety at Work Act 1974

- 8.6.1 We are committed to ensuring that nothing purchased by us is at the expense of the health and safety of those who are involved in delivering our contracts whether directly or as part of the supply chain.
- 8.6.2 It is important that those bidding for our contracts are able to demonstrate that they are responsible Providers who keep to their legal duties, including duties relating to health and safety.
- 8.6.3 It is a standard condition of our contracts that the Provider must keep to all laws that apply, the requirements of regulatory organisations, and good industry practice. This includes any relevant health and safety law. Health and safety criterion forms part of the evaluation for all relevant contracts
- 8.6.4 Whenever Providers' staff are on our premises, under the terms of our standard contracts they must keep to our own health and safety requirements.
- 8.6.5 We will revise our standard Contract Management arrangements to make sure that we include information about health and safety incidents relating to delivering our contracts and any measures we take to put things right. This information will be gathered centrally and we will include it in the annual report of our performance against this strategy.

8.7 Our policy on procuring fairly and ethically traded supplies and services

- 8.7.1 We consider the relevant and proportionate application of fair and ethical principles in our procurement activities.
- 8.7.2 If fairly traded supplies and services are available to meet our requirements, we will consider how best to promote them.

- 8.7.3 Our standard procurement procedures for contracts involve assessing a potential Providers suitability to be awarded the contract. This process includes considering whether the potential Provider has been convicted of certain offences or committed any acts of professional misconduct while running their business.
- 8.7.4 Our standard terms and conditions of contract allow us to end a contract if the Provider or sub Provider fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.
- 8.7.5 We will keep a central record of the value of fairly traded products bought under contracts under our direct control. Our annual report on this strategy will include a statement about the effectiveness of our selection procedures.

8.8 Our policy on using contracts involving food to improve the health, wellbeing and education of communities in Scotland and promote the highest standards of animal welfare

- 8.8.1 We recognise food and drink as a key industry sector where major sustainability wins can be achieved. The procurement of food and catering services is a high ranking area because there are major social, economic and environmental impacts.
- 8.8.2 Our approach to our contracts involving food, which are under our direct control, is to make sure that it keeps to all relevant Government policies on healthy eating and nutrition, promoting fresh and seasonal and local produce, and on fairly traded produce. These standards take account of a range of factors, including production, traceability, authenticity, origin, ethical trading, animal welfare, environmental standards, and health and waste.
- 8.8.3 Keeping to our policy commitment is part of our Contract Management arrangements for all food contracts.

8.9 Our policy on paying invoices in 30 days or less to our Providers and sub-Providers

- 8.9.1 We are committed to ensuring that our Providers and sub Providers are paid on time and in accordance with late payment legislation.
- 8.9.2 It is a standard term of our contracts that we will pay valid invoices within 30 days and, any subcontract must contain a clause which says that sub Providers are also paid within 30 days, and that this clause should apply through the supply chain.
- 8.9.3 Through our Contract Management arrangements we will monitor the extent to which invoices are paid within 30 days and take action if appropriate. Our annual report on this strategy will include a statement about the effectiveness of our policy.

9 Procedures and tools

- 9.1 Our internal procurement rules apply to all contracts made by or on behalf of the Council for the execution of Works, the supply of Supplies and the provision of Services.
- 9.2 Our internal procurement rules are subject to the overriding provisions of the European Union (EU), United Kingdom (UK) and Scottish legislation. They are also subject to any EU Commission, UK Government and Scottish Government guidance on public procurement that may be issued from time to time.
- 9.3 We have embedded various tools within our procurement process, the key tools are;
- our internal procurement rules;
 - procurement toolkit (the council's version of the Scottish Government procurement journey);
 - procurement journey;
 - Scottish Government sustainable tools;
 - contract management tools;
 - e-Procurement tools; and
 - electronic survey tools.

10 Implementation

- 10.1 The sections above describe the ambition and proposed future shape of our procurement activity. There will be a period of transition from current practice to the new practice set out in this strategy.
- 10.2 Some of this transition has commenced through the work to date, and it is anticipated that it may take up to two years to achieve a 'steady state' in our new approach to Procurement, to ensure that the improvements in planning and delivery are embedded in day-to-day working practices, and to ensure we have the capacity and capability to deliver excellent Procurement and be best in class.
- 10.3 There will be continued engagement with key stakeholders and access to appropriate accredited training for relevant staff.
- 10.4 Independent audit and assurance will be sought to challenge and test on a sample basis both the system as a whole and compliance with it, in order to identify (and correct) any remaining weaknesses.
- 10.5 Legislation requires us to prepare a procurement report each year. Our first report will cover the period 1 January 2017 to 31 March 2018 and will be produced as soon as reasonably practicable after 31 March 2018. We will publish our annual report online.

11 Strategy ownership

The owner of this strategy on behalf of North Lanarkshire Council is Mr James McKinstry our Head of Corporate Property, Procurement and Resource Solutions.

- 11.1 The strategy covers the period September 2017 to 31 March 2020 and will be reviewed at least once a year. We will publish any new versions on our website.

12 How to do business with North Lanarkshire

- 12.1 We are pleased to hear from new and existing providers who are interested in tendering for our business. Any company interested in conducting business with the council must be registered with PCS, and be in a position to submit their tender responses by electronic means via PCS.
- 12.2 If you would like to read more about our procurement activity, please visit our web-site
<http://www.northlanarkshire.gov.uk/>

Appendix 1- Measuring our success

7.2	How our procurement activity contributes to value for money			
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.2a	Cash savings delivered	£850k	£950k	increase
7.2b	Percentage of cashable savings target achieved	100%	100%	maintain
7.2c	Percentage spend on contract	93%	94%	increase
7.2d	Percentage spend off contract	7%	6%	decrease
7.2e	Contract forward procurement plans published on the Internet	100%		maintain
7.2f	Percentage of Route 3 contract award procedures covered by a Sourcing Methodology	100%		maintain
7.2g	Percentage of Route 2 contract award procedures covered by a Sourcing Methodology	40%		increase
7.2h	Percentage of contracts Route 3 under proactive contract and supplier management	Baseline year		increase
7.2i	Percentage of contracts Route 2 under proactive contract and supplier management	Baseline year		increase
7.2j	Percentage Route 3 procurements – contract award criteria MEAT	100%		maintain
7.2k	Percentage Route 2 procurements – contract award criteria MEAT	40%		increase

7.3	Fulfilling our general and sustainable procurement duties			
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.3a	Percentage of procurements > £50k advertised on national procurement portal	100%	100%	maintain
7.3b	Percentage of procurements undertaken pursuant to 2016 Regulations	11%		increase
7.3c	Percentage of procurements undertaken pursuant to 2015 Regulations	23%		increase
7.3d	Percentage of procurements incorporating Sustainability test	Baseline year		increase
7.3e	Percentage of procurements containing 2 or more Lots	Baseline year		increase
7.3f	Percentage tender submissions comprising only 1 bid	9%		decrease
7.3g	Percentage of spend with Supported Businesses	Baseline year		increase
7.3h	Percentage spend with SME's	55%	56%	increase
7.3i	Percentage spend with local providers	37%	38%	increase
7.3j	Percentage spend with third sector	14%		increase
7.3k	Percentage of procurements Negotiated Tender Procedure	9%		decrease

7.4	Delivering quality outcomes			
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.4a	Percentage of contract award procedures that included premarket engagement		7%	increase
7.4b	Percentage of contract award decisions – successful legal challenge		0%	maintain
7.4c	Percentage of contract award procedures abandoned		7%	decrease
7.4d	Percentage Customer satisfaction (survey)		85%	increase
7.4e	Percentage Provider satisfaction (survey)		84%	increase

7.5	Wider ambitions			
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.5a	Percentage contract award procedures that include Community Benefits	29%		increase
7.5b	Percentage contract award procedures addressing Fair Work Practices	Baseline year		increase
7.5c	Percentage of providers paying at least Living Wage	Baseline year		increase
7.5d	Achieve Living Wage accreditation	Baseline year		increase
7.5e	Percentage of valid invoices paid in 30 days or less	96%	96%	increase
7.5f	Number of business focussed events supported	2	3	increase

7.6 Procurement capacity and capability				
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.6a	Procurement and Commercial Improvement Programme score	Baseline year		increase
7.6b	Percentage contract award procedures electronic –PCST	7%		increase
7.6c	Percentage contract award procedures electronic –PCS mail box	93%		decrease
7.6d	Contract register published on the Internet	100%		100%
7.6e	Percentage of transactions undertaken electronically	85%	85%	increase
7.6f	Percentage of procurement staff in the corporate team – MCIPS qualified	33%	33%	increase
7.6g	Percentage of procurement staff in the Corporate Team with appropriate CIPS qualification	70%	70%	increase
7.6h	Percentage of procurement staff in the corporate team working towards MCIPS qualification	33%	33%	increase
7.6i	Percentage turnover procurement staff	25%		decrease
7.6j	Number of FTE Procurement People of Tomorrow programme	1		maintain

7.7	Recognised nationally			
Ref	How success will be measured	Base line	17/18 Target	Expected Trend
7.7a	Procurement strategy published on the Internet		100%	maintain
7.7b	Procurement annual performance report published on the Internet		100%	maintain
7.7c	Procurement strategy action plan		100%	maintain
7.7d	Percentage of 'success measures' improving		100%	maintain

Appendix 2 – Summary of our external expenditure

Classification	total spend	% of spend	% of invoices	% of suppliers
Construction	113,855,110.26	31.06	2.55	8.91
Social Community Care	74,828,383.93	20.42	12.75	11.32
Facilities & Management Services	41,922,189.54	11.44	4.03	7.42
No Summary Category	22,975,002.27	6.27	.73	1.69
Utilities	15,827,302.72	4.32	4.52	.82
Information Communication Technology	15,589,749.30	4.25	31.10	8.96
Environmental Services	12,516,065.19	3.41	1.54	3.95
Construction Materials	8,338,489.07	2.28	1.73	4.24
Vehicle Management	7,166,450.20	1.96	2.51	5.40
Public Transport	6,871,040.64	1.87	3.37	5.35
Highway Equipment & Materials	6,367,856.11	1.74	.98	.58
Catering	5,642,558.94	1.54	15.08	2.65
Education	5,140,026.00	1.40	4.18	6.89
Healthcare	4,974,583.88	1.36	2.09	3.66
Furniture & Soft Furnishings	3,568,163.80	.97	2.06	2.55
Financial Services	3,138,849.81	.86	1.73	2.65
Human Resources	2,186,120.78	.60	.66	4.38
Horticultural	2,118,436.85	.58	.21	1.40
Legal Services	1,985,903.15	.54	.20	2.65
Arts & Leisure Services	1,787,041.69	.49	.44	3.32
Cleaning & Janitorial	1,773,660.34	.48	2.96	1.78
Consultancy	1,588,006.02	.43	.15	2.17
Mail Services	1,552,076.15	.42	.64	.72
Sports & Playground Equipment & Maintenance	1,099,942.57	.30	.21	1.59
Street & Traffic Management	1,083,740.84	.30	.09	.58
Housing Management	1,079,403.40	.29	.19	.87
Stationery	729,448.19	.20	2.35	1.25
Clothing	694,847.57	.19	.83	1.35
Health & Safety	63,843.25	.02	.08	.48
Domestic Supplies	62,975.89	.02	.04	.39
Cemetery & Crematorium	3,290.00	.00	.00	.05

£366,530,558.35	100.00	100.00	100.00
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Spend analysis – Scottish Procurement Information Hub Year 2015-16, Proclass level 1

14 Glossary

Best Value - overall value, including price and quality considerations and including economic, environmental and social value; the council's duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Buying - placing orders under relevant contracts, use of purchasing cards and purchase-to-pay systems, receipting, making payments and associated transactions. This is also sometimes called Purchasing.

Category Plan - strategic planning of the category, at a category or sub-category level, including review of the current position, constraints and opportunities, desired outcomes, options and actions.

Category Management - best practice approach to managing and organising procurement spend and resources; a structured framework of activities designed to deliver better procurement outcomes through a holistic approach which focuses on the interrelated needs of buyers and providers; managing buying activity by grouping together related supplies, works and services across the council and mapping them onto the provider market, to improve quality, savings and efficiency across the council as a whole.

Commissioning - the entire cycle of assessing the needs of people in a local area, designing and putting into place supplies, works and services to meet those needs, and monitoring and evaluating the outcomes. In a commissioning approach, the council seeks to secure the best outcomes for local communities by making use of all available resources, whether the resources are provided in-house, externally or through various forms of partnership. This activity continues throughout the whole lifecycle.

Contract Management - the tasks and activities which seek to ensure we receive what we have contracted to receive, at the price we contracted to receive it, taking account of agreed change and continuous improvement. Activity is focused from prior to the contract starting through to contract expiry and de-commissioning. It includes provider relationship management and also ensures that we meet our obligations under the contract.

PCS - means the national public procurement portal, Public Contract Scotland portal, on which contract opportunities with the Scottish public sector are advertised.

Procurement - the tasks and decisions which secure an external provider to provide what we want, at a price that we can afford. Activity is focused on the period from prior to advertising a tender to signing the contract. It includes both competitive tenders and circumstances where we negotiate with a single provider.

Procurement Plan – practical planning of the procurement, or group of similar procurements, including approach, resourcing and timetable.

Provider – any organisation that provides supplies, works or services to the council or on behalf of the council.

Purchasing – placing orders under relevant contracts, use of purchase-to-pay cards and systems, receipting, making payment, and associated transactions.

Services – services that we buy include specialist support for vulnerable children and adults, and also repairs and maintenance services, financial advice, designs and surveys for new building works.

Significant Procurement – a Procurement over a certain financial value (£50,000 for Supplies and Services, (£500,000 for Works contracts),

SME or Small and Medium Enterprises –

- firms that employ 9 or fewer staff (micro)
- firms that employ 10 to 49 staff (small)
- firms that employ 50 or fewer staff (medium)

Social Value - the additional economic, social and environmental benefits that a contract achieves.

Supplies - things that we buy, such as pens and paper, or plants and seeds, or fruit and vegetables.

Supported Business - an establishment where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.

Third Sector - the group name for a range of organisations including community groups, charities, voluntary organisations, faith groups, social enterprises, community interest companies. Third sector organisations may be registered charities and may be registered companies. They include small, local groups and large multinational operations, and everything in between.

Whole Lifecycle - the whole cycle of assessing needs, analysing options, preparation, procurement, mobilisation, Contract Management and exit.

Works - construction works that we buy, including construction of new buildings, or extensions, and also creation and improvements to roads and bridges and open spaces.

