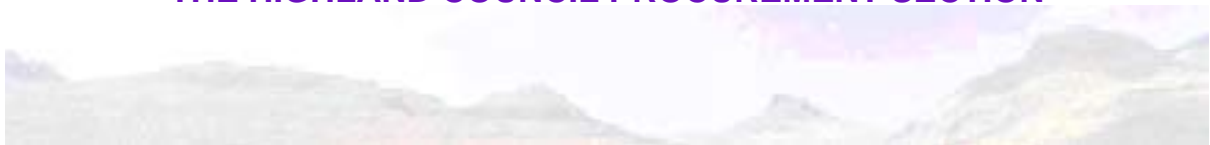


THE HIGHLAND COUNCIL PROCUREMENT STRATEGY 2011/15



THE HIGHLAND COUNCIL PROCUREMENT SECTION



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1 Executive Summary: The Mission Statement

The Council's first Procurement Strategy, approved by resources Committee in October 2007, stated that :”The purpose of public sector procurement is to secure by whatever means is most appropriate, the delivery of public services in a way which will achieve best value for the Council and the public we serve. In that sense it is not a support or “back office” service but a direct, strategically vital, customer facing operational service”.

Activity since then, and particularly the Scottish Government's view that “Procurement is a key means of delivering this Government's priorities and underpins the achievement of the social, economic and environmental benefits that sustainable economic growth demands” only serves to reinforce this point

Likewise, Procurement's focus on delivering

- Government Improvement Priorities
- Substantial cash savings;
- Process efficiency;
- Development of the supply network including local, SME, BME, and Social Enterprise Businesses and Voluntary Sector organisations acting as commercial service providers;
- Community Benefits and environmental sustainability in contracting;
- Legal and budgetary certainty;
- Transparency and accountability, and;
- Equality of opportunity within both the supply network and the businesses which comprise that community.

Has only been reinforced since it was originally adopted by the Council.

The Strategy

The Strategy therefore is still to deliver the Mission Statement through a programme of improvement which will

- Challenge accepted certainties on specifications, statements of requirements and methods of delivery
- Increase levels of professionalism
- Drive change within the Council
- Directly support delivery of the Programme for the Administration
- Directly support the statutory duty of Best Value.
- Deliver substantial savings in contributing to the Corporate Improvement Programme over the early part of the Strategy, and the Efficiency Agenda more generally



In order to achieve the Mission Statement, the procurement service must be central to the Council's business and operational decisions from the point at which the public service outcomes the Council wishes to deliver are identified, through the lifecycle of the requirement and the review of the delivery of those outcomes following implementation.

This will require the Council via its procurement service to implement in full the core principles of Best Value and to

- Challenge
- Consult
- Compare
- Compete

In all areas: there must be no barriers to the service's freedom to do this if the Council is to achieve its required outcomes in procurement

The Method of Delivery

Following the 2006 the McClelland Review of Public Sector Procurement, recommending ways in which improvements in:

- Governance;
- Professionalism
- Sharing of services
- Use of eProcurement tools;
- Standardisation, and;
- Aggregation of demand

Could be delivered, The Highland Council's responded to the challenges of the McClelland Review with its first strategy document.

Since that time, an increasing level of external scrutiny, assessment, and evaluation has emerged, and all Scottish Public Bodies have been evaluated against a Procurement Capability Assessment based on eight characteristics and four levels of capability or performance:

The characteristics against which all Scottish Public Bodies are measured are:

Section 1 Procurement Leadership and Governance

Section 2 Procurement Strategy and Objectives

Section 3 Specifications

Section 4 Sourcing Strategies and Collaborative Procurement

Section 5 Contract and Supplier Management



Section 6 Key Purchasing Processes and Systems

Section 7 People

Section 8 Performance Measurement

It is vital that the Council understands that this assessment applies to the whole of the Council's approach to Procurement: it is not an assessment of how the Council's central Procurement function performs, but of how the Council as a corporate entity deals with its procurement responsibilities. So whilst central the procurement section lead on these tasks, procurement as a whole is an issue for the whole Council: the Council corporately will need to take ownership in order to deliver the required outcomes, and part of the assessment made is around the "reach" of central the procurement section across the organisation as a whole.

In charging its procurement service with primary responsibility for delivering these outcomes, the Councils will need to recognise that the procurement section must have the authority and freedom to take these tasks forward proactively, and to recognise that they can only be achieved with the clear and continuing support of the Council's Senior Management Team.

In accordance with the Government's view that Procurement contributes directly to the achievement of sustainable economic growth, the Council has committed to the Scottish Government's Suppliers Charter: <http://www.scotland.gov.uk/Topics/Government/Procurement/Selling/SuppliersCharter2> and to the Joint Statement on the Relationship at local level between Government and the Third Sector: <http://www.scotland.gov.uk/Resource/Doc/1036/0087048.pdf>

European, UK, and Scottish Legislation all require the Council to afford equality of opportunity to all those seeking to do business with the Council and this Strategy fully supports the statement in the latter publication that: "European Union procurement requirements should not be seen or used as a barrier to effective engagement with the third (or any other) sector in participating in strategic commissioning or other service development processes"

2 Policy

The essence of public sector procurement policy is to provide a means to improve public service delivery through the use of competition:

- Through indirect competition (e.g. benchmarking) in which the Council will assess the competitiveness of current arrangements and improve their effectiveness by reference to these arrangements.



- Through direct competition in which contracts will be awarded to the provider(s) offering the most economically advantageous balance of quality and cost.

Competition must be based on the principles of openness and fairness, with each tenderer being afforded exactly the same information and opportunities as every other. The following are essential elements of public sector business irrespective of whether indirect or direct competition applies

- The acknowledged source of in-house expertise as well as the customer or user must always be consulted
- Performance standards and monitoring strategies must be developed
- Cost information must be properly identified and collected
- Innovation must be encouraged
- Social and environmental values and the Council's policy objectives must be protected
- Probity, accountability and competitive neutrality must be ensured
- The responsibilities and accountabilities of all parties must be explicit
- Legal frameworks including Contract Standing Orders must be complied with
- Business awarded in open competition must be placed with the successful bidder
- Contractors must be managed actively in order to extract maximum value from contracts.
- The findings of the Procurement Capability Assessment, Procurement Audit Reports, particularly that arising from the Members Working Group of 2008, and the Council's strategy in respect of improving working relationships with the third sector

Statements of Direction

This Strategy will be brought to life through implementation of the following statements of direction for the improvement of procurement within Highland Council, which form the basis of the operational plan.

Section 1 Procurement Leadership and Governance. Is there clear direction from the top with clear support for getting best value from procurement

Section 2 Procurement Strategy and Objectives Is there a clear, systematic, holistic, and well researched framework to guide our purchasing decisions

Section 3 Specifications

Can we demonstrate a clear and well-planned approach to defining our supply needs.



Section 4 Sourcing Strategies and Collaborative Procurement

Can the organisation demonstrate a clear understanding of how best to satisfy our core needs

Section 5 Contract and Supplier Management Do we manage our suppliers and contracts effectively

Section 6 Key Purchasing Processes and Systems

Do we have efficient and robust processes and systems to support advanced procurement activity

Section 7 People Do we have people with sufficient capability to ensure effective performance

Section 8 Performance Measurement

Do we have a sound approach to assessing and demonstrating procurement performance



3 The Highland Council Procurement Improvement Programme Executive Summary

This strategic programme summary describes the individual projects and elements of this strategy and links them to the goals of the Single Outcome Agreement and the “Strengthening the Highlands” programme for the Administration. In particular, it clearly links to

National Outcomes

SOA Objective 1: We live in a Scotland that is the most attractive place to do business in Europe

SOA Objective 2: We realise our full economic potential with more and better employment opportunities for our people

SOA Objective 3: We are better educated, more skilled and more successful, renowned for our research and innovation,

SOA Objective 4: We reduce the local and global environmental impact of our consumption and production and;

SOA Objective 15: Our public services are high quality, continually improving, efficient and responsive to local people’s needs

Local Objectives

1 People across the Highlands have access to the services they need

3 Our communities take a greater role in shaping their future

4 Public services are delivered effectively, efficiently and jointly

6 Carbon emissions are reduced and communities are protected from the consequences of changing weather patterns

7 The impact of the recession is limited and sustainable economic growth is supported

10 More people are supported into employment

These projects form the specific means by which the Mission Statement will be delivered and the supporting Statements of Direction will be implemented.

Section 1 Procurement Leadership and Governance.

(National Outcomes 1, 2, 3, and 15, Local Objectives 3, 6, and 7)

Overall aim: To provide a framework of accountability which will ensure fair treatment of all, the transparent conduct of business and a common understanding of the Council’s approach to the conduct of business. It will:

- Support the delivery of key Scottish Government priorities



- Ensure the delivery of the improvements required by the McClelland Review
- Support the delivery of improved Best Practice Indicators
- Ensure the delivery of Internal Audit Report recommendations

Section 2 Procurement Strategy and Objectives (SOA National Outcomes 1, 2, 4, and 15, Local Objectives 1, 3, 4, 6, 7, and 10)

Overall aim: To form the operational basis of the achievement of procurement excellence by placing procurement at the centre of the business decisions the council makes in terms of delivering its required outcomes, and to implement procurement best practice. It will

- Reduce costs through consolidating disparate contracts into coherent tender packages and eliminating waste
- Improve service by achieving the correct balance of risk between supplier and customer
- Improve quality by clear codification of requirements into full and clear specifications
- Inform the ETS, Contracts Management and Stores systems on the most appropriate means of managing supplies and suppliers under contract.
- Encourage innovation by developing relationships with suppliers on an open and fair basis acting as an intelligent client
- Establish sustainability in procurement by implementing the Council's sustainable procurement policy and ensuring that specifications, contracts, and evaluation criteria are able to make the most of their potential contribution to both environmental sustainability and community benefits.

Section 3 Specifications (SOA National Outcomes 1, 4, and 15, Local Objectives 4, 6, and 7)

Overall aim: To ensure that requirements are expressed consistently and in such a way as to facilitate collaboration, enable the production of meaningful and fair supplier appraisal and tender evaluation criteria, and enable bidders to submit fully developed tenders which offer best value for the Council and the public.

Section 4 Sourcing Strategies and Collaborative Procurement (SOA National Outcomes 1, 4, and 15, Local Objectives 2, 4, 6, and 7)

Overall aim: To ensure that The Council uses the tools available to it most effectively and assesses the options open to it fully in determining the best approach to the market, using an objective and analytical corporate approach to procurement projects.



Section 5 Contract and Supplier Management (SOA National Outcomes 1, 4, and 15, Local Objectives 3, 4, and 7)

Overall aim: to ensure that we obtain maximum value from contracts post contract award and throughout their life cycle by full use of the standard contract management facilities set out in our contract documents.

To support delivery of Best Value, equal opportunities, the local, SME, voluntary, and Social Enterprise sector communities and professionalism in all procurement activity by

- Implementation of the Suppliers' Charter
- Implementation of a supplier development programme with partners including HIE, Chambers of Commerce, and the Scottish Council for Development and Industry

Section 6 Key Purchasing Processes and Systems (SOA National Outcomes 1, 2, and 4, Local Objectives 4, and 6)

Overall aim: To provide the basis of strategic management and tactical every day business and working procedures and guidelines, on which the achievement of procurement excellence, best value, and the undernoted specific projects can be delivered. It will rationalise the number and positioning of staff involved in procurement activity and rationalise and standardise processes employed. It includes the following elements:

eProcurement

The extension of transactional purchasing arrangements which will improve purchasing efficiency within the Council and achieve savings by establishment and use of appropriate electronic means of issuing orders to and processing invoices from contracted suppliers which will

- Eliminate off-contract spending thus maximising contract advantage
- Reduce duplication of effort within the Council
- Improve administrative process reducing time and paper consumed in purchase processing, and eliminating invoice discrepancy
- Provide management information which will enable better contracting
- Support the delivery of collaborative projects
- Support consistency in purchase-to-pay practices.



Electronic tendering

The extension of tools to improve consistency of practices and documentation which in turn support greater transparency, a stronger audit trail and governance, and clearer accountability. Amongst the improvements it delivers will be

- Improved access to council requirements to the greatest possible spread of bidders
- The basis of a long term tendering cycle database, allowing the Council to establish a customer profile, and minimising the time required for European tendering
- Eliminating waste in the tendering process
- Reducing advertising costs
- Enabling quicker evaluation of tenders on demonstrably fair bases, extrapolated from declared performance requirements and evaluation criteria
- The delivery of greater consistency in practices which businesses have told us they want to see.

E-Contracts Management

Overall aim: To contribute to contract life-cycle efficiency and effectiveness by

- Maximising the Council's use of its contracts management information to extract maximum value from contractual arrangements
- Effective use of local, sectoral, and national contracts and framework agreements

Section 7 People (SOA National Outcomes 2, and 3, Local Objective 4)

Overall Aim: To ensure that the Council's designated procurement Officers are fully equipped to deal successfully with the projects they lead or take part in and that the Council recruits, retains, and develops a highly skilled, flexible and effective procurement work force. This will build and maintain the Council's reputation both as a fair, open and competent Contracting Authority and a highly reputable employer

- Implementation of a procurement Competency Framework for the Council



Section 8 Performance Measurement (SOA National Outcomes 1, 2, and 15, Local Objectives 4, 6, and 7)

Overall aim: To support delivery of the overall programme and pursuit of excellence through development and use of Best Practice Indicator and other information

- Implementation of the Scottish Observatory and linked Best Practice Indicators
- Implementation of the Sustainable Procurement Self-Assessment Framework
- Implementation of use of the Procurement Capability Assessment framework as the basis of a cycle of continuous improvement



4: Operational Plan: Tasks and Activities to Deliver the Strategy

Where are we now: 0 = non-compliant, 1= Compliant, 2 = Improved Performance, 3= Superior Performance

Section 1 Procurement Leadership and Governance

Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
1.1 A. Are there clearly defined roles, responsibilities and reporting lines for procurement?	2 The head of procurement is either at board level or is one level below, with a board member taking clear ownership for procurement and commercial matters. (Note: 'Board' can be Board/Council/ corporate management team or equivalent) The head of procurement can and does access board level meetings.	3	Review HoP Role to ensure and evidence alignment with advanced procurement requirements					DCEO/Director of Finance	Head of Procurement
1.1 B. How is Procurement structured?	2 Procurement organised by category or commodity, supported by highly skilled/trained Procurement staff. Core competency of Procurement recognised throughout the organisation. Organisational roles are structured nationally..	2		3	Provide evidence of a review of the Procurement structure and functions and assurance that any delegated procurement activities are linked to the central function			Head of Procurement	SMT
1.2 A. Is there a clear role focused on strategic procurement (by sourcing group) which is embedded across the organisation and aligned with the CoE?	1 Strategic Procurement role exists for limited areas of strategic spend, i.e. classified as high value/ high risk (up to 50%) but role not clear, staff are not fully trained and are not aware of or helping to deliver the organisation's objectives. Roles completely differentiated from operational buying activities..	2	Principal Officers fully qualified to MCIPS, Procurement structure reviewed and evidence provided of strategic functions	3	Coverage of Procurement activities optimised and arrangements in place to evidence oversight of delegated areas of activity			Head of Procurement	SMT

1.2 B. How effective is the organisation at using user intelligence groups for appropriate procurement activity?	1 User intelligence groups in place with regular meetings for some areas, appropriate to needs. Some clarity of roles, although inconsistent composition and attendance..			2	Implement User Intelligence Groups for major projects, initiate strategic sourcing approach	3	Set up regular supplier forums to ensure effective communications with the business community	Head of Procurement	SMT
1.2 C. How well integrated are the operational procurement roles within the overall organisation?	1 Some level of integration of departments under Supply Chain umbrella..			2	Strengthen and evidence links with Creditors Section and emerging Business Support function			Heads of Procurement and Accounting	DCEO
1.2 D. How is customer relationship management incorporated into everything you do? Will include BPI2	0 No formal mechanisms in place. Limited customer feedback obtained.	1	Implement customer satisfaction surveys annually, and lessons learned meeting on conclusion of major projects	2	Use customer feedback to develop improvement plans	3	Demonstrate consistent application of actions for 2012/13 and 2013/14 on a consistent basis	Principal eProcurement Officer	Head of Procurement
1.3 A. How clear is the system of delegation and authority for procurement?	1 The published scheme of administration sets out high level delegations and authority levels.			2	Complete review of Procurement structure and functions and ensure procurement authorisation forms are in place for all staff with procurement authority. Plan audit of these with Internal Audit	3	Draw up future audit plans with Internal Audit and ensure links with emerging Business Support function are established	Head of Procurement	Head of Internal Audit
1.4 A. Does internal audit provide assurance that the organisation's internal control systems for procurement are adequate and effective?	2 The internal audit service regularly assesses procurement risks and performance. It reports assurance that the organisation's basic standards of governance and financial control for procurement are adequate and effective. McClelland report section 5.7.1.	3	Provide evidence from Caithness Heat and Power Audit, and Chief Executive's letter to all Council managers, provide procurement Audit plan and results of previous ones					Heads of Procurement and Internal Audit	DCEO

Section 2 Procurement Strategy and Objectives									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
2.1 A. How developed is the Procurement strategy?	1 Documented Procurement strategy but not communicated across all in Procurement and not signed off.	2	Commence implementation of this long term strategy, communicated via CSPG, WBM, training courses, and Resources Committee			3	Provide evidence of the implementation of sustainable procurement strategy across a range of projects	Head of Procurement	SMT
2.1 B. How well defined are the objectives and targets for Procurement?	1 Objectives defined and understood but staff unclear about their integration and impact to wider sector deliverables.			2	Provide evidence of continuous training courses including objectives of procurement	3	Provide evidence of involvement in a range of significant projects	Head of Procurement and Principal Contracts Officers	EDT
2.2 A. How far does procurement strategy support and align with the overall organisation's strategy and with wider public sector strategies?	T1 Procurement strategy is developed in support of the sector or organisation strategy with the main focus on maximising service and minimising total costs.					2	Demonstrate integration of Procurement risks and improvement plans with Service and Corporate plans, demonstrate involvement of senior procurement staff with sectoral/national projects	Head of Procurement	DCEO

2.2 B. Has the organisation a clear process for making outsourcing decisions?	0 No formal process or policy exists, at the strategic and tactical levels or limited outsourcing decisions and are performed reactively.			1	Agree approach to outsourcing options appraisal and communicate via CSPG, WBM, and Resources Committee	2	Demonstrate implementation of outsourcing options appraisal on at least one major project	Head of Procurement	SMT
2.2 C. Can the organisation demonstrate clear leadership and commitment from Senior Management towards sustainable procurement?	2 Senior management leadership and commitment being evidenced in larger value projects/contracts only.			3	Provide evidence of Senior Management training in procurement, demonstrate implementation of the Chief Executive's letter to managers following the Caithness Heat and Power audit			Head of Procurement	SMT
2.3 A. How well is Procurement strategy documented, communicated and understood by sector or individual organisation?	2 Updated on a regular basis. Senior management understanding and agreement to strategy. Procurement personnel familiar with the implications of the strategy			3	Demonstrate approval of this strategy and communication through CSPG, WBM, and Resources Committee, produce communication plan for next three years			Head of Procurement	SMT
2.3 B. To what extent does the overall organisation support the Procurement strategy?	2 Updated on a regular basis. Senior management understanding and agreement to strategy. Procurement personnel familiar with the implications of the strategy	3	Demonstrate Senior Management support through nomination of senior staff to CSPG, demonstrate involvement of Procurement in a range of major projects					SMT	Head of Procurement

Section 3 Specifications									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
3.1 A. To what extent is supplier market intelligence used to procure products or services? e.g. working with suppliers to see R&D and the current standards and technology roadmaps; post contract to take cost out through value engineering – changing packaging specs, etc.	1 All strategic purchases covered by specification and signed off as acceptable by supplier. Supplier has influence on specification post contract.					2	Implement supplier forums and demonstrate market research and testing at project commencement	Head of Procurement	Principal Contracts Officers
3.1 B. To what extent does new product or service requirements New Product Introduction (NPI) involve procurement expertise either nationally or locally?	2 Sourcing input requested on an adhoc basis. Involvement is driven by procurement. When a new product or service is introduced hardly used by the organisation.		No Action, resources required would be disproportionate with benefits to be achieved						
3.1 C. How well managed is your product catalogue?	1 Single record for each unique item held on catalogue with continuous, proactive management of full content in respect to quality, usability and accuracy and to safeguard against duplications. Catalogue to clearly differentiate between items subject to specific contractual terms and those traded out with formal contracting processes. Some work done on a regular basis to identify opportunities to rationalise catalogue content..					2	Maximisation of "catalogue only" suppliers and expansion of the use of Pecos	Principal eProcurement Officer	Principal Contracts Officers
3.2 A. How rigorously are consumption and compliance procedures applied? e.g. Cheaper item but using more of them/ cheaper daily rate but more days, etc and how this links to budget?	0 There are no consumption policies in place or Some application of demand analysis procedures. Primarily measurement of					1	Compliance levels regularly reported and evidence of improvement	Principal eProcurement Officer	Principal Contracts Officers

	usage/volumes.						shown over time		
3.2 B. How proactive is the organisation's approach to value analysis of current and new specifications for Products and Services?	1 Design of current products and services is assessed to achieve reduced cost only. Supplier involved on a reactive basis.					2	Provide evidence of user intelligence groups being implemented across a range of projects	Principal Contracts Officers	Head of Procurement

Section 4 Sourcing Strategies and Collaborative Procurement									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
4.1 A. How are local Sourcing Strategies developed and reviewed?	1 Sourcing options are developed and reviewed but are variable in depth between sourcing groups, and the transition process to new suppliers is managed carefully by the procurement team. Some elements of the SPD toolkit are used http://www.scotland.gov.uk/Publications/2006/11/16102303/0 or the Centre of Expertise branded version of the SPD toolkit.			2	Provide evidence of proportionate implementation of new SPD procurement toolkit across a range of projects			Principal Contracts Officers	Head of Procurement
4.1 B. To what extent is sourcing strategy development a multifunctional, service-driven process?	1 The strategy is developed involving key multifunctional input, and takes account of many supply chain issues relating to the sourcing group.		No Action, resources required would be disproportionate with benefits to be achieved						
4.1 C. How much of the overall spend (CAT A, B and C) is covered by signed-off sourcing strategies? Linked to BPI5	1 Many sourcing groups have sourcing strategies, but they are not fully signed off. Where available, Category A and B collaborative contracts are being used.					2	Provide evidence of sourcing strategies across the majority of major revenue spend areas	Principal Contracts Officers	Head of Procurement

4.1 D. To what extent do sourcing strategies for CAT A, B, C spend exploit the full range of opportunities?	1 Significant impact in price related supply base management and supply chain benefit areas. Many broader opportunities understood and scoped but little impact made in terms of delivering benefits. Elements of the SPD toolkit are used http://www.scotland.gov.uk/Publications/2006/11/16102303/0 or the Centre of Expertise branded version of the SPD toolkit.					2	Provide evidence of sourcing strategies across a range of projects	Principal Contracts Officers	Head of Procurement
4.1 E. Are procurement policies integrated into core organisations?	3 SPD Procurement personnel are seen as policy experts in relation to the Policy Handbook and EU Regulations.		No improvement action required						
4.1 F. To what extent does the organisation take account of its sustainability in its procurement activity?	2 An organisation specific Delivery Plan, which addresses how procurement can help the organisation deliver sustainability objectives has been produced.			3	Demonstrate implementation of the sustainable procurement action plan and strategy across a range of projects.			SMT	Head of Procurement
4.1 G. To what extent does the organisation monitor its progress towards demonstrating sustainable procurement practices and processes?	1 The organisation has assessed itself against the Flexible Framework self assessment tool contained in the Scottish Sustainable Procurement Action Plan, but has not yet reached level 3 in all five areas of the Framework.			3	Demonstrate implementation of the sustainable procurement action plan and strategy across a range of projects.			SMT	Head of Procurement
4.1 H. To what extent does the organisation take account of the current economic climate in its procurement activity?	1 Suppliers are checked for financial stability at tender stage only.		No Action, resources required would be disproportionate with benefits to be achieved						

4.2 A. To what extent are sourcing strategies for CAT A, B and C spend based on reliable/robust internal information?	1 Detailed information is available, however it is not used to develop recommendations that can be incorporated within the strategy. Only some spend data is available at commodity group level - by supplier (i.e. from accounts payable). Little line item (detailed commodity) level info available.				2	Demonstrate use of spending data in sourcing strategies across a range of projects	Principal Contracts Officers	Principal eProcurement Officer
4.2 B. To what extent, and how, is detailed and rigorous supply market information/ benchmarking used to drive strategy development?	0 Basic information exists on current suppliers. Limited/ no analysis is completed to support strategy development. Analysis conducted on basic supply market information. High level benchmarking completed, based on existing supply base and limited number of other sources. Little investment in supply market research. Collaboration on pricing across other public sectors is not used to drive efficiencies.				2	Demonstrate use of supply market and hub information in sourcing strategies across a range of projects	Principal Contracts Officers	Principal eProcurement Officer
4.2 C. Are mechanisms in place to encourage new suppliers and ensure clear access routes?	2 Buyer Profile has been set up on Public Contracts Scotland portal. Meet the Buyer events are being held. Web information for new suppliers with genuine positive response to queries. Suppliers are sounded out in early discussions or involved in market testing. Prior Information Notices are used to assess market interest. Positive action compliant with procurement law is taken to increase opportunities for smaller and medium sized enterprises (SMEs) to provide diversity and responsiveness.		No Action, resources required would be disproportionate with benefits to be achieved					

4.2 D. Do contracts/ engagements demonstrate strong management of corporate responsibility in the supply chain where CSR is directly related to the performance of the contract? Has the risk been analysed on exposure?	1 Some awareness and basic management. Corporate responsibility clauses are in contracts.			2	Demonstrate implementation of the sustainable procurement action plan and strategy across some projects.	3	Demonstrate implementation of the sustainable procurement action plan and strategy across a range of projects.	SMT	Head of Procurement
4.3 A. Is a comprehensive implementation plan developed for each sourcing group and is it agreed across all impacted areas of the service?	0 A sourcing strategy exists but no implementation plan has been developed or Basic implementation plans exist covering some major aspects of implementation, but are inconsistent in content and depth.					2	Demonstrate development of sourcing strategies across a range of projects	SMT	Head of Procurement
4.3 B. Is the organisation moving towards advanced procurement performance in accordance with the McClelland report aim (McClelland report paragraph 9.8.1)? Will include BPI1	2 Action plan and performance measurement mechanisms are in place. Benefits and savings and organisational changes are being achieved according to the plan.	3	Demonstrate implementation and regular reporting of progress against this plan					Head of Procurement	SMT
4.3 C. Do post procurement reviews take place to identify lessons to be learned from the process and to determine whether planned benefits and VFM were achieved?	0 There are no post procurement reviews.			1	Evidence use of post project reviews within the Procurement team			Head of Procurement	Principal Contracts Officers
4.4 A. What level of collaboration exists to develop future procurement activity?	3 Recognised as a lead organisation in key procurement areas. Development of strategy and policy encompassing wider public sector. Representation in non public sector organisations, e.g. trade associations, etc.		No improvement action required						
4.4 B. Is the organisation increasing its collaborative procurement with other public bodies? Will include BPI4	1 Sourcing strategies are defined for all major spend areas, which recognise opportunities for joint procurement work with other public bodies. The organisation has not actively followed up these opportunities.	2	Provide comprehensive evidence of collaborative procurement with other organisations			3	Provide evidence of increasing use of collaborative procurement	Head of Procurement	Principal Contracts Officers

<p>4.4 C. Is the organisation working in partnership with centres of expertise to supporting the development of advanced procurement?</p>	<p>3 The organisation actively participates in any user improvement group or opportunity workshops that the centre of procurement expertise has set up. E.g. it contributes to reviews of proposed contract specifications, supplier performance under contract, opportunities for new collaborative contacts, etc.</p>	<p>No improvement action required</p>						
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Section 5 Contract and Supplier Management									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
5.1 A. Are there effective contract management processes in place?	There is ad hoc, mainly qualitative measurement of contract KPIs and SLAs and mainly conducted by the business.	2	implement contract management rights written into contracts for major projects			3	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.1 B. Are contracts publicised to ensure consumers are aware of contractual content and pricing?	The majority of contracts are publicised showing content and pricing. The majority of contract awards are on Public Contracts Scotland portal.	3	Show that all contracts are posted in the Council's intranet and publicised to users, and that all formally tendered contract and contract award notices are publicised on www.publiccontractsscotland.gov.uk					SMT	Head of Procurement
5.1 C. How are key suppliers (high spend/high risk) managed across area?	0 Suppliers managed on a day to day basis. No long-term plans in place or linkage between different departments or Limited cross functional management of key suppliers only.	1	implement contract management rights written into contracts for major projects			2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.1 D. How clearly defined are the Procurement policies and procedures?	2 Comprehensive procedures in place and understood.	3	Provide evidence of annual review of CSOs and updated manuals and training, and Audit reports and plan					Head of Procurement	SMT
5.1 E. How are Terms and Conditions defined and agreed? (link to % spend that's managed and controlled locally that has signed Ts and Cs in place)	2 Standardised Ts&Cs applied across service and tailored to application.	3	Provide evidence of input from Legal Services in high value contracts and use of risk matrices. Demonstrate use of standard Ts and Cs					Head of Procurement	Head of Legal Services

			across a range of contracts.						
5.2 A. How close is the organisation to its key suppliers? i.e. How effective is your management of your key suppliers?	0 All suppliers are treated the same - the supply base is managed on a purely transactional basis with no partnerships or alliances in place or Supply base management is undertaken on a reactive basis - where problem suppliers are managed more closely than others.			1	Provide evidence of governance structures for major contracts, and signed suppliers charter	2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.2 B. Are performance improvement strategies developed in tandem with suppliers or independently?	0 No joint strategy planning or Some specific initiatives exist to support low level performance improvement objectives.	1	Provide evidence of governance structures for major contracts, and signed suppliers charter			2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.2 C. To what extent are planning schedules/ forecasts developed with suppliers? (i.e. how in control are you that suppliers will deliver and if not what contingencies have you and how is it linked to supplier measures?)	0 Suppliers receive schedules infrequently, and there is a low level of accuracy. Schedules out of date. No consideration of supplier's capacity or Longer term forecasts given but subject to considerable change. Regular short term forecasts given to suppliers. Subject to frequent change.		No Action, resources required would be disproportionate with benefits to be achieved						
5.2 D. To what extent does the organisation learn from its supply market? Will include BPI3	0 No two way feedback process or Suppliers have opportunity to feedback on the organisation's supply management performance but data not collated or acted on consistently.	1	implement contract management rights written into contracts for major projects			2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement

5.3 A. How appropriate is the framework for managing supplier relationships? E.g. referencing the Strategic Sourcing Tool Kit or Centre of Expertise branded toolkit	0 There is no corporate framework - relationships are managed individually. or There is no corporate framework - each Procurement team establishes its own relationship framework and manages individually.	1	implement contract management rights written into contracts for major projects			2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.3 B. How reliable is the method for assessing and managing supplier performance?	0 No measures in place or Performance is assessed but no action taken.	1	implement contract management rights written into contracts for major projects			2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.3 C. How comprehensive is the process for new supplier introduction? e.g. Are formal Pre Qualification Questionnaire's used consistently?	2 Qualification programme covers sector wide application and references wider public sector		No Action, resources required would be disproportionate with benefits to be achieved						
5.3 D. To what extent has the business implemented a supplier development program?	0 No defined supplier development/improvement program. Suppliers receive little briefing or feedback. Little information sharing or Service issues raised on an ad hoc basis when considered significant. Areas for improvement identified by buyer, little progress in completion.					1	Set up regular supplier forums to ensure effective communications with the business community	Head of Procurement	Principal Contracts Officers
5.3 E. How are key supplier development activities resourced currently?	0 No resource is allocated either by the organisation or supplier or Supplier has internal development program which is recognised by the organisation's but does not align to the organisation's targets and does not involve the organisation's resources.					1	implement supplier development working into contracts for major projects	Head of Procurement	SMT

5.3 F. What supplier performance measures are in place ?	0 Basic measures on delivery and quality. Measures location specific with no wider visibility or Measures on Quality and Delivery, with some measures on Price Improvements. Consistent basic measures across location but no wider visibility.	1	implement contract management rights written into contracts for major projects		2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement
5.3 G. How is supplier performance monitored, managed and reviewed?	0 No defined performance monitoring system in place. Informal ad hoc gathering of performance data or Regular tracking of quality and delivery performance for key 'problem' suppliers. Periodic meetings with key suppliers. Limited co-ordination across organisation.	1	implement contract management rights written into contracts for major projects		2	Implement contract management in full for all EU level contracts	SMT	Head of Procurement

Section 6 Key Purchasing Processes and Systems									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	
6.1 A. What is the process for receiving goods and services?	1 Services are formally received by originator (e.g. GRN raised). All key		No Action, resources required would be disproportionate with benefits to be achieved						
6.1 B. What is your rate of performance in terms of payments to suppliers?	1 Long-term payment negotiated to support supplier cash flow with received commercial benefit to service. Payment generally consistent with agreed terms. No supply issues resulting from poor payment.	2	Demonstrate improved performance in invoice payment time KPI			3	Implement self-billing/e-invoicing for high volume contracts	Heads of Procurement and Accounting	Principal eProcurement Officer
6.1 C. How established is Quality Assurance in the procurement process?	No QA strategy for any products or services – simple goods return/shortage notification processes in place or Ad hoc sampling or inspection on failure.	1	Implement Supplier QA in contract management for high risk contracts			2	Implement Supplier QA in contract management for high EU level contracts	Head of Procurement	Principal Contracts Officers

6.1 D. Are suitable technology based tools in place and used? Linked to BPI9	2 The organisation uses an e-procurement solution (either integrated or stand-alone). Information from this system is used periodically to analyse spending and identify where improvements in procurement practice can be made. It has reduced manual processes but overall technological solutions are only in limited use. The procurement team understands which spend data is captured by which system for at least the last year. Data can be structured by geography, business unit and supplier. There are reports that show the spend evolution over time. The system also allows me to quickly view my top suppliers and all the contracts I have with them.			3	Maximise use of e-procurement/e-sourcing toolkit, in conjunction with emerging business support service(s) following CIP			Principal Contracts Officers and eProcurement Officer	SMT
6.1 E. Are standard coding and pricing mechanisms embedded in purchasing systems with interface to general ledger/finance systems?	1 Some item standardisation and commodity coding exists and there is limited pricing structures available through e-procurement and/or other purchasing systems.	2	Provide evidence of products showing UNSPSC codes from Pecos	3		3	Maximisation of "catalogue only" suppliers and expansion of the use of Pecos	Principal Contracts Officers	Principal eProcurement Officer
6.2 A. How manual is the process for invoice/ purchase order matching?	1 Regular invoicing based on actual cost. Some automation involved in matching process. Low to medium "match 1st time" rate.	2	Provide evidence of automated run matching from Pecos			3	Implement e-invoicing as widely as possible	Principal eProcurement Officer	Principal Contracts Officers
6.2 B. Does the organisation use tools such as procurement cards and aggregate/consolidated invoices, self-billing and e-invoicing?	2 There is a strategy in place on when different types of technology should be used for specific purchases.	3	Produce Procurement IT strategy bringing together Pecos, e-sourcing, purchase cards, e-contract management, the Hub, and PCS					Principal eProcurement Officer	Head of Procurement
6.3 A. To what extent is the supplier delivery framework tailored to meet specific product needs?	1 Goods delivered in packs from supplier to local storage point in relation to point of usage.		No Action, resources required would be disproportionate with benefits to be achieved						

6.3 B. How developed are the processes for stock management and is inventory managed efficiently?	1 Stock segmented by identified classifications, with appropriate and differentiated stock management processes and controls in place that recognise financial exposure and service sensitivity. Evidence of management reporting improving business processes and performance.	2	Provide evidence from TECS and H&PS stores of inventory control procedures and audit reports			3	Review and if necessary introduce improvements in the council's approach to stock control	Directors of TECS and H&PS	Head of Procurement
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Section 7 People									
Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	
7.1 A. How capable are Procurement personnel of operating outside their immediate role, over and above using skills linked directly to Procurement? Which of these statements best describes Procurement people in your business?	1 Able to manage priorities. Capable of performing several roles. Regular team involvement, developing good working relationships. Involved in improvement projects, understands need.	2	Provide evidence of involvement in national/sectoral working groups and responsibilities of senior procurement staff to lead on improvement workstreams for the Council			3	Show evidence of these activities over time to demonstrate consistency and long-term improvement	Head of Procurement	Principal Contracts Officers and eProcurement Officer
7.1 B. How commercially aware are the Procurement professionals within the business? i.e. need to differentiate transaction roles from strategic roles.	1 General understanding of cost elements. Understanding and experience of some cost management techniques. Intermediate negotiation skills. Understands some sourcing group cost drivers. Aware of market prices for key commodities.	2	Ensure and provide evidence that all Procurement staff have been trained in these disciplines			3	Demonstrate experience of working with these disciplines over the long term	Head of Procurement	Principal Contracts Officers and eProcurement Officer
7.1 C. How much wider service knowledge and strategic awareness is demonstrated by Procurement people in general?	0 Limited understanding of wider sector service issues. Limited understanding of customers or General understanding of local demand only (i.e. products and volumes). Aware of key customers for site/location.	1	Provide evidence of training and participation in sectoral/national improvement programmes			3	Demonstrate experience of working in these fields over the long term	Head of Procurement	Principal Contracts Officers and eProcurement Officer

7.1 D. How proactive is the Procurement function in terms of planning future resources?	0 No evidence of manpower planning. Ad hoc based on cost. A high level plan is in place for team. No clear links to recruitment, promotion, development and training. Department managers not involved.	1	Provide training and development plans for Procurement	2	Determine long term function and structure of Procurement and produce a plan for implementation			Head of Procurement	SMT
7.2 A. Do procurement personnel have their competency levels assessed using the Scottish Procurement Competency Framework or a similar competency framework? Linked to BPI7a and b	2 The procurement competency framework (or similar) is used to assess procurement personnel competency levels as part of the regular performance review/management process and is used to identify future development and training requirements.	3	Provide evidence of PDPs and training plans for Procurement staff					Head of Procurement	Principal Contracts Officers and eProcurement Officer
7.2 B. How well established is the performance review/management process for procurement personnel?	2 Comprehensive, organisation specific scheme. Well communicated and applied. Managers trained. Clear objectives based on business needs. Linked to benefits and training/development and driven via competence profiles for each post. Interview and discussion.	3	Provide evidence of PDPs and training plans for Procurement staff					Head of Procurement	Principal Contracts Officers and eProcurement Officer
7.2 C. How well established are the training and development support structures for procurement personnel? Is there a designated budget for procurement staff training? Linked to BPI8	2 Internal and external training is aligned to individual skills assessments and training requirements. Some development opportunities exist via mentoring and secondments. There is a specific budget allocated for procurement staff training which is equivalent to that of other departments within the organisation.		No Action, resources required would be disproportionate with benefits to be achieved						
7.2 D. Is there a process in place for ensuring that non-procurement staff who have authority to procure have the appropriate competency levels?	2 A number of non-procurement staff who are actively involved in the procurement process have been identified and have completed appropriate levels of training.	3	Produce evidence of procurement authorisations and attendance at training course from EDT feedback spreadsheets					Head of Procurement	EDT

7.2 E. How proficient with EU Procurement Legislation are the procurement staff within the business (including those with delegated purchasing authority)?	2 Good general knowledge of EU Procurement Legislation within the procurement department, register of all staff attending appropriate levels of training on an annual basis. Some staff who are in the procurement process, but are not located in the procurement department, have received training on EU procurement legislation.	3	Provide evidence of Procurement Staff Training				Head of Procurement	EDT
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Section 8 Performance Measurement Question	Where are we now	Where Do We Want To Be 2012/13	What Do We Need To Do	Where Do We Want To Be 2013/14	What Do We Need To Do	Where Do We Want To Be 2014/15	What Do We Need To Do	Lead	Support
8.1 A. What is/are the criteria used to drive Procurement decisions?	1 Consideration of Total Acquisition Costs, including supplier cost breakdowns. Service level consideration.	2	Provide evidence of MEAT criteria, specifications, and/or terms and conditions being used including social and environmental outputs in major contracts			3	Provide evidence of MEAT criteria, specifications, and/or terms and conditions being used including social and environmental outputs in all EU level contracts	SMT	Head of Procurement
8.1 B. How well defined are the Procurement performance target and measures?	0 There are no measures in place or Some measures set around basic elements. Evidence of obvious gaps and conflicts. Poor communications. Little evidence at senior level of monitoring of progress.	1	Provide evidence of BPIS being uploaded regularly, and of implementing forthcoming Audit Scotland Procurement KPI			3	Long term implementation of Audit Scotland Procurement KPI and provide evidence of monitoring	Head of Procurement	Head of Internal Audit
8.1 C. Do managers get relevant, timely and accurate procurement spend information?	1 As part of standard financial reporting, managers routinely get relevant, timely and accurate statements of procurement spend against budgets. Managers receive reports on variances over a specified amount.		No Action, resources required would be disproportionate with benefits to be achieved						

8.2 A Does the organisation have a clear approach to assessing/demonstrating its procurement performance?	No clear approach	3	Provide evidence of BPIS being uploaded regularly, and of implementing forthcoming Audit Scotland Procurement KPI, provide examples of CIP savings reports					Principal eProcurement Officer	Head of Procurement
8.2 B. Does the organisation demonstrate a focus on performance improvement year on year? Will include BPI6	2 The organisation reports its key performance indicators and these indicate performance improvement.		No Action, resources required would be disproportionate with benefits to be achieved						
8.2 C. Is procurement spending monitored to ensure that it realises its anticipated benefits and savings against targets?	1 Basic attempts are made to monitor procurement outcomes on a contract by contract basis. There may be gaps in the analysis and no overall picture of performance is provided.	2	implement benefits tracking as part of contract management, written into contracts for major projects			3	implement benefits tracking as part of contract management, written into contracts for EU level projects	SMT	Head of Procurement

5: Operational Plan: Risks

Section 1 Procurement Leadership and Governance

Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4 = almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
1.1 A. Are there clearly defined roles, responsibilities and reporting lines for procurement?	Lack of transparency and accountability, lack of consistency across the organisation resulting in increased challenges from suppliers	4	3	12	Complete a procurement review across the organisation to determine the long term way forward and level of risk the Council wishes to bear
1.1 B. How is Procurement structured?	Dilution of expertise, varying approach across the organisation leading to poorer procurement decisions and therefore loss of potential; savings	4	3	12	Complete a procurement review across the organisation to determine the long term way forward and level of risk the Council wishes to bear
1.2 A. Is there a clear role focused on strategic procurement (by sourcing group) which is embedded across the organisation and aligned with the CoE?	Dilution of expertise, varying approach across the organisation leading to poorer procurement decisions and therefore loss of potential; savings	4	3	12	Complete a procurement review across the organisation to determine the long term way forward and level of risk the Council wishes to bear. Complete professional training of procurement staff
1.2 B. How effective is the organisation at using user intelligence groups for appropriate procurement activity?	Parts of the overall requirement are missed, meaning that contracts are duplicated and/or piecemeal and do not deliver best value	3	3	9	Set up UIGs for all cross-service requirements
1.2 C. How well integrated are the operational procurement roles within the overall organisation?	Process inefficiency, sub-optimal deployment of staff resources across the Council	3	2	6	Implement the recommendations of the Business Support and Mobile and flexible Working elements of the CIP
1.2 D. How is customer relationship management incorporated into everything you do? Will include BPI2	End user requirements are not properly taken into account resulting in sub-optimal service, lack of contract compliance, and lost value	3	3	9	Implement customer feedback requests for the end of procurement exercises as per Internal Audit. Implement regular customer surveys
1.3 A. How clear is the system of delegation and authority for procurement?	Significant loss of value for the Council, complaints and legal action by businesses, requirements failing to be delivered	4	4	16	Complete a procurement review across the organisation to determine the long term way forward and level of risk the Council wishes to bear. Ensure that all staff involved in procurement work have authorisations and are trained.
1.4 A. Does internal audit provide assurance that the organisation's internal control systems for procurement are adequate and effective?	Failure to demonstrate controls required for the delivery of best value, failure to identify and deal with areas requiring improvement resulting in continuing long term loss of value	2	3	6	Ensure that procurement remains a part of the annual Audit plan. (Confirmatory note from Sharon Calder refers)

Section 2 Procurement Strategy and Objectives					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4= almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
2.1 A. How developed is the Procurement strategy?	Failure of links between procurement activity and strategic direction of the Council, failure of procurement to deliver Council aims	1	4	4	Ensure strategy is signed of by Resouces Committee by September 2010
2.1 B. How well defined are the objectives and targets for Procurement?	Failure of links between procurement activity and strategic direction of the Council, failure of procurement to deliver Council aims	3	2	6	Set out objectives and targets in the 2010-2015 procurement strategy
2.2 A. How far does procurement strategy support and align with the overall organisation's strategy and with wider public sector strategies?	Lack of strategic alignment between procurement and the Council overall	2	2	4	Establish a link between each target or objective in the procurement strategy and the SOA or Corporate Plan
2.2 B. Has the organisation a clear process for making outsourcing decisions?	Failure to achieve best value	4	3	12	Participate fully in the Alternative Delivery Mechanisms PIP workstream, incorporate lessons learned into future plans
2.2 C. Can the organisation demonstrate clear leadership and commitment from Senior Management towards sustainable procurement?	Failure to comply with legislative/policy requirements resulting in imposition of sanctions	1	3	3	Participate fully in the Sustainable procurement PIP workstream, incorporate lessons learned into future plans
2.3 A. How well is Procurement strategy documented, communicated and understood by sector or individual organisation?	Failure to comply with the procurement strategy results in inability to deliver best value	3	3	9	Strategy to Resources Committee by October 2010, along with communications plan
2.3 B. To what extent does the overall organisation support the Procurement strategy?	Failure to deliver best value or savings required for spending reviews	2	4	8	Show links in the procurement strategy with the Corporate Plan

Section 3 Specifications					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4= almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
3.1 A. To what extent is supplier market intelligence used to procure products or services? e.g. working with suppliers to see R&D and the current standards and technology roadmaps; post contract to take cost out through value engineering – changing packaging specs, etc.	Failure to achieve best value	4	3	12	implement pre-market discussions with suppliers in line with the Directive and Fabricom case
3.1 B. To what extent does new product or service requirements New Product Introduction (NPI) involve procurement expertise either nationally or locally?	Failure to optimise requirements and deliver best value	4	1	4	implement pre-market discussions with suppliers in line with the Directive and Fabricom case
3.1 C. How well managed is your product catalogue?	process inefficiency, inability to properly implement business support	3	3	9	Ensure business support processes incorporate catalogue management processes
3.2 A. How rigorously are consumption and compliance procedures applied? e.g. Cheaper item but using more of them/ cheaper daily rate but more days, etc and how this links to budget?		3	2	6	Obtain other orgs' demand management plans and adapt/adopt
3.2 B. How proactive is the organisation's approach to value analysis of current and new specifications for Products and Services?		2	1	2	Develop and implement demand management tools

Section 4 Sourcing Strategies and Collaborative Procurement					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4= almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
4.1 A. How are local Sourcing Strategies developed and reviewed?	Failure to deliver best value or savings required for spending reviews	2	2	4	Participate fully in national PIP, including toolkit development
4.1 B. To what extent is sourcing strategy development multifunctional, service-driven process? ^a	no significant risk	4	0	0	no significant risk
4.1 C. How much of the overall spend (CAT A, B and C) is covered by signed-off sourcing strategies? Linked to BP15	Failure to deliver best value or savings required for spending reviews	3	3	9	Participate fully in national PIP, including toolkit development
4.1 D. To what extent do sourcing strategies for CAT A, B, C spend exploit the full range of opportunities?	Failure to deliver best value or savings required for spending reviews	3	3	9	Participate fully in national PIP, including toolkit development
4.1 E. Are procurement policies integrated into core organisations?		0	0	0	
4.1 F. To what extent does the organisation take account of its sustainability in its procurement activity?	Failure to comply with legislative/policy requirements resulting in imposition of sanctions	3	3	9	Monitoring of sustainable procurement action plan by SMT/Resources Committee
4.1 G. To what extent does the organisation monitor its progress towards demonstrating sustainable procurement practices and processes?	Failure to comply with legislative/policy requirements resulting in imposition of sanctions	3	3	9	Monitoring of sustainable procurement action plan by SMT/Resources Committee
4.1 H. To what extent does the organisation take account of the current economic climate in its procurement activity?		4	0	0	no significant risk
4.2 A. To what extent are sourcing strategies for CAT A, B and C spend based on reliable/robust internal information?	Failure to deliver best value or savings required for spending reviews	3	3	9	Obtain and verify oracle/pecos spending reports
4.2 B. To what extent, and how, is detailed and rigorous supply market information/ benchmarking used to drive strategy development?	Failure to deliver best value or savings required for spending reviews	3	3	9	Develop and implement market analysis tools
4.2 C. Are mechanisms in place to encourage new suppliers and ensure clear access routes?		4	0	0	no significant risk

4.2 D. Do contracts/ engagements demonstrate strong management of corporate responsibility in the supply chain where CSR is directly related to the performance of the contract? Has the risk been analysed on exposure?	Failure to comply with legislative/policy requirements resulting in imposition of sanctions	2	3	6	Monitoring of sustainable procurement action plan by SMT/Resources Committee
4.3 A. Is a comprehensive implementation plan developed for each sourcing group and is it agreed across all impacted areas of the service?	Failure to deliver best value or savings required for spending reviews	2	2	4	Participate fully in national PIP, including toolkit development
4.3 B. Is the organisation moving towards advanced procurement performance in accordance with the McClelland report aim(McClelland report paragraph 9.8.1)? Will include BPI1	Failure to deliver best value or savings required for spending reviews	2	3	6	Monitoring of procurement strategy by SMT/Resources Committee
4.3 C. Do post procurement reviews take place to identify lessons to be learned from the process and to determine whether planned benefits and VFM were achieved?	Failure to deliver continuous improvement	3	2	6	implement post-project review/feedback process
4.4 A. What level of collaboration exists to develop future procurement activity?		0	0	0	no significant risk
4.4 B. Is the organisation increasing its collaborative procurement with other public bodies? Will include BPI4	Failure to deliver best value or savings required for spending reviews	3	3	9	report use of collaborative contracts to SMT/Resources Committee
4.4 C. Is the organisation working in partnership with centres of expertise to supporting the development of advanced procurement?		0	0	0	no significant risk

Section 5 Contract and Supplier Management					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4 = almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
5.1 A. Are there effective contract management processes in place?		3	3	9	participate fully in the PIP SACM workstream
5.1 B. Are contracts publicised to ensure consumers are aware of contractual content and pricing?	Failure to control off-contract spending resulting in process duplication and loss of value	3	1	3	pecos training to include reference to Procurement intranet page
5.1 C. How are key suppliers (high spend/high risk) managed across area?	Failure to extract maximum value from contracts	2	3	6	participate fully in the PIP SACM workstream
5.1 D. How clearly defined are the Procurement policies and procedures?	Failure to deliver best value or savings required for spending reviews	1	3	3	Annual reviews of critical documents to Resources Committee
5.1 E. How are Terms and Conditions defined and agreed? (link to % spend that's managed and controlled locally that has signed Ts and Cs in place)	Failure to deliver best value or savings required for spending reviews	1	3	3	apply ICT procurement methodology more widely
5.2 A. How close is the organisation to its key suppliers? i.e. How effective is your management of your key suppliers?	Failure to extract maximum value from contracts	2	3	6	participate fully in the PIP SACM workstream
5.2 B. Are performance improvement strategies developed in tandem with suppliers or independently?	Failure to extract maximum value from contracts	2	3	6	participate fully in the PIP SACM workstream
5.2 C. To what extent are planning schedules/ forecasts developed with suppliers? (i.e. how incontrol are you that suppliers will deliver and if not what contingencies have you and how is it linked to supplier measures?)		4	0	0	no significant risk
5.2 D. To what extent does the organisation learn from its supply market? Will include BPI3	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely
5.3 A. How appropriate is the framework for managing supplier relationships? E.g. referencing the Strategic Sourcing Tool Kit or Centre of Expertise branded toolkit	Failure to extract maximum value from contracts	2	3	6	Participate fully in national PIP, including toolkit development

5.3 B. How reliable is the method for assessing and managing supplier performance?	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely
5.3 C. How comprehensive is the process for new supplier introduction? e.g. Are formal Pre Qualification Questionnaire's used consistently?		4	0	0	no significant risk
5.3 D. To what extent has the business implemented a supplier development program?	Failure to extract maximum value from contracts			0	participate fully in the PIP SACM workstream
5.3 E. How are key supplier development activities resourced currently?	Failure to extract maximum value from contracts	1	1	1	participate fully in the PIP SACM workstream
5.3 F. What supplier performance measures are in place ?	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely
5.3 G. How is supplier performance monitored, managed and reviewed?	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely

Section 6 Key Purchasing Processes and Systems					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4= almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
6.1 A. What is the process for receiving goods and services?		4	0	0	no significant risk
6.1 B. What is your rate of performance in terms of payments to suppliers?	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely
6.1 C. How established is Quality Assurance in the procurement process?	Failure to extract maximum value from contracts	2	3	6	apply ICT and waste management contract management methodology more widely
6.1 D. Are suitable technology based tools in place and used? Linked to BPI9	Failure to extract maximum value from contracts	3	3	9	participate in eps reprocurement to ensure necessary services are available and implemented
6.1 E. Are standard coding and pricing mechanisms embedded in purchasing systems with interface to general ledger/finance systems?	Failure to extract maximum value from contracts	3	3	9	participate in eps reprocurement to ensure necessary services are available and implemented
6.2 A. How manual is the process for invoice/purchase order matching?	Failure to extract maximum value from contracts	3	3	9	participate in eps reprocurement to ensure necessary services are available and implemented
6.2 B. Does the organisation use tools such as procurement cards and aggregate/consolidated invoices, self-billing and e-invoicing?	process inefficiency leading to sub-optimal resource allocation across the organisation	3	3	9	Secure SMT/Resources Committee approval for procurement IT strategy
6.3 A. To what extent is the supplier delivery framework tailored to meet specific product needs?		4	0	0	no significant risk
6.3 B. How developed are the processes for stock management and is inventory managed efficiently?	process inefficiency leading to sub-optimal resource allocation across the organisation	3	1	3	review stock control processes

Section 7 People					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4 = almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
7.1 A. How capable are Procurement personnel of operating outside their immediate role, over and above using skills linked directly to Procurement? Which of these statements best describes Procurement people in your business?	Failure to get the best from staff or to provide sufficient motivation/job satisfaction	1	3	3	Ensure that each Principal Officer in Procurement leads on at least one PIP workstream for the Council
7.1 B. How commercially aware are the Procurement professionals within the business? i.e. need to differentiate transaction roles from strategic roles.	Failure to get the best from staff or to provide sufficient motivation/job satisfaction	1	3	3	Ensure that each Principal Officer in Procurement has a PDP and leads on at least one PIP workstream for the Council
7.1 C. How much wider service knowledge and strategic awareness is demonstrated by Procurement people in general?	Failure to get the best from staff or to provide sufficient motivation/job satisfaction	1	3	3	Ensure that each Principal Officer in Procurement has a PDP and leads on at least one PIP workstream for the Council
7.1 D. How proactive is the Procurement function in terms of planning future resources?	Failure to match procurement function to market demands and best practice	2	3	6	complete procurement functional review
7.2 A. Do procurement personnel have their competency levels assessed using the Scottish Procurement Competency Framework or a similar competency framework? Linked to BPI7a and b	Failure to get the best from staff or to provide sufficient motivation/job satisfaction	1	3	3	Ensure that each Principal Officer in Procurement has a PDP and leads on at least one PIP workstream for the Council
7.2 B. How well established is the performance review/management process for procurement personnel?	Failure to get the best from staff or to provide sufficient motivation/job satisfaction	1	3	3	Ensure that each Principal Officer in Procurement has a PDP
7.2 C. How well established are the training and development support structures for procurement personnel? Is there a designated budget for procurement staff training? Linked to BPI8		4	0	0	no significant risk

7.2 D. Is there a process in place for ensuring that non-procurement staff who have authority to procure have the appropriate competency levels?	Failure to extract maximum value from contracts	2	3	6	continue long term procurement training programme
7.2 E. How proficient with EU Procurement Legislation are the procurement staff within the business (including those with delegated purchasing authority)?	Failure to comply with legislative/policy requirements resulting in imposition of sanctions	1	4	4	Ensure that each Principal Officer in Procurement has a PDP

Section 8 Performance Measurement					
Question	Risk	Likelihood 1 = almost impossible, 2 = unlikely, 3 = likely, 4 = almost certain	Impact 1 = negligible, 2 = marginal, 3 = critical, 4 = catastrophic	Impact	Mitigating Action
8.1 A. What is/are the criteria used to drive Procurement decisions?	Failure to achieve best value	3	3	9	Ensure procurement staff are fully trained
8.1 B. How well defined are the Procurement performance target and measures?	Failure to extract maximum value from procurement activities	2	3	6	Failure to extract maximum value from procurement activities
8.1 C. Do managers get relevant, timely and accurate procurement spend information?		4	0	0	no significant risk
8.2 A Does the organisation have a clear approach to assessing/demonstrating its procurement performance?	Failure to extract maximum value from procurement activities	1	3	3	Failure to extract maximum value from procurement activities
8.2 B. Does the organisation demonstrate a focus on performance improvement year on year? Will include BPI6		4	0	0	no significant risk
8.2 C. Is procurement spending monitored to ensure that it realises its anticipated benefits and savings against targets?	Failure to extract maximum value from contracts	3	3	9	develop compliance monitoring tools with Scotland excel regional office

