



HIGHLAND COUNCIL PROCUREMENT REVIEW CONSULTATION EXERCISE

The Council has a commitment to review its approach to procurement within its current programme. This reflects a similar review being undertaken by the Scottish Government with a view to establishing a Procurement Reform Act. It says that:

“The proposed aim of the Procurement Reform Bill is to establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering social and environmental benefits including community benefits, supporting innovation and promoting public procurement processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly. All of which supports our continued focus on minimising bureaucracy, making it easier to do business with the public sector, encouraging more companies to compete and simplifying the reform agenda to accelerate delivery.”

Below are some of the main findings from the consultation phase of the Bill. The Council would now like to hear the views of the Highland Economic Development Forum and the businesses and organisations it represents, on what it might do in support of this. So following these findings are a few particular questions on which the Forum's views would be appreciated as an important part of its own review.

The questions below focus on three main aspects of operational procurement:

1. Supplier Selection and Pre-Qualification
2. Contract Award Criteria and Evaluation
3. Aggregation and Lotting

These have been the main areas of concern raised with the Council over the years, and it is important that the views of the Forum are considered as the Council carries out its review.

Main Findings from The Procurement Reform Bill Consultation

Below is a representative selection of questions and answers taken from the Scottish Government's analysis of its consultation exercise.

Should we place upon public sector bodies a general duty to conduct procurement in an effective, transparent and proportionate manner?

Yes 93%, No, 6%, Don't Know/No Answer, 1%

Would it be appropriate for public bodies to be required to publish annual strategic procurement plans?

Yes 60%, No, 30%, Don't Know/No Answer, 10%

Should public sector bodies be required to use a specified standard pre-qualification system?

Yes 74%, No 18%, Don't Know/No Answer 6%

Should the Bill include a general duty on public bodies to consider, for each and every requirement, how the specification of requirements may impact on the ability of newer businesses, SMEs and Third Sector organisations to compete?

Yes 61%, No 30%, Don't Know/No Answer 9%

Do you agree that public sector bodies should be required to use a single specified online portal to advertise and award all contracts?

Yes 86%, No 9%, Don't Know/No Answer 5%

Should those awarding major contracts be required to consider including community benefits clauses?

Yes 84%, No 6%, Don't Know/No Answer 10%

Should those awarding major contracts be required to consult communities regarding community benefits they would wish to see delivered?

Yes 58%, No 31%, Don't Know/No Answer 11%

Should those in receipt of major contracts be required to publish training and apprenticeship plans for those contracts?

Yes 73%, No 17%, Don't Know/No Answer 10%

Should public sector bodies be placed under a general duty which requires them to demonstrate the extent to which what is being procured will promote or improve the economic, social, health and environmental well-being of the relevant area?

And

In conducting the process of procurement, should public sector bodies act with a view to securing that improvement?

Yes 80%, No 10%, Don't Know/No Answer 10%

Should the Bill include measures to ensure that the public sector deals appropriately with poor performance and poor standards of business ethics on the part of contractors?

Yes 90%, No 5%, Don't Know/No Answer 5%

Should contractors that fail to adhere to appropriate standards of conduct, performance and business ethics be excluded from competing for public contracts?

Yes 82%, No 7%, Don't Know/No Answer 11%

Should all of the proposals discussed in this consultation paper apply to the procurement of health and social services?

Yes 32%, No 23%, Don't Know/No Answer 45%

The full text of the analysis can be found at:

<http://www.scotland.gov.uk/Resource/0041/00412974.pdf>

Members of the forum are invited to express their views as to whether the Council should seek to implement the above measures as best practice in advance of legislation, to the extent that current legislation allows (please use the space below).

Council Specific Questions

In the context of the above strategic decisions, there are many specific and operational decisions the Council will also have to make in its own Procurement Review.

As stated above, these relate to

1. Supplier Selection and Pre-Qualification
2. Contract Award Criteria and Evaluation
3. Aggregation and Lotting

PLEASE STATE YOUR industry/sector:

Supplier Selection and Pre-Qualification

1 Do you think that a standard risk assessment should be applied to all projects to determine whether Pre-Qualification is necessary

Yes

No

Don't Know

2 In your industry/sector, do statutory regulators exist who could provide some of the information requested in Council PQQs, and if so, what?

3 The Council often states that if you have completed a pre-qualification questionnaire in the last six months, you only need to advise us of who you sent it to and complete the project specific questions and those that have changed

Have you ever taken advantage of this facility?

Yes

No

4 Do you agree that it should continue and be made universal in all projects?

Yes

No

5 Do you think the six month period should be variable

Yes

No

6 If yes, on what basis?

7 Do you think there should be a single central repository for all submitted PQQs?

Yes

No

8 What evidence do you believe the Council should seek in ensuring that the businesses it selects to invite to tender are reliable and technically competent, and have sufficient resources to deliver the requirement they are bidding for.

9 Do you think that businesses should be permitted to take several smaller projects delivered simultaneously as evidence of reliability and technical competence in larger projects, where they add up to a similar scope?

Yes

No

10 What other specific measures do you think the Council could take to make dealing with pre-qualification easier?

Contract Award Criteria and Evaluation

1 Do you believe that the standard approach to contract award should be on the basis of lowest price or on a balance between cost and quality?

lowest price

cost and quality

2 Do you agree that the Council should establish a standard and mandatory approach to deciding when environmental, social, and economic sustainability should be made part of specification, supplier selection criteria, contract award criteria, and conditions of contract

Yes

No

3 Do you agree that the Council should adopt a single standard approach to scoring submissions across all areas and functions?

Yes

No

4 If so, do you agree that a scale of 0 to 10 for each question allows the right amount of separation between answers to each question?

Yes

No

5 Do you believe that the concept of “community benefits” is generally well understood throughout business, industry, and the voluntary and third sectors?

Yes

No

6 If no, do you believe that a published Council definition of what “community benefits” means, would assist organisations wishing to do business with the Council?

Yes

No

7 If we assume that “community benefits” refers to an appropriate balance of social, economic, and environmental outcomes, do you believe that the level of community benefits a tender proposal will provide, should be a standard part of the Council’s contract award criteria?

Yes

No

8 Do you believe that you receive sufficient and prompt explanations as to why submissions have not been successful?

Yes

No

9 **If not, what do you think could be done to improve this?**

10 Do you believe that the contract documents you receive as part of the contract award process are appropriate to the requirements?

Yes

No

Please state whether these are

NEC

JCT

ACE

Council Standard

Other (please specify)

11 **If no, what do you believe would make them more appropriate?**

Aggregation and Lotting

1 Do you believe that the Council should consider raising its current thresholds for works/construction quotations (currently £15K) and formal tenders (currently £50K)

Yes

No

The current procurement regulations state that

“Where a contracting authority has a single requirement for supplies, services or the carrying out of a work or works and more than one contract will be entered into in relation to that requirement, then the value of those contracts must be aggregated”

This being defined as a

“single requirement for *related* activities which taken as a whole fulfil an economic and technical function by themselves”

2 Do you think that the Council should establish a single, clear approach to deciding whether each requirement does fulfil an economic and technical function?

Yes

No

3 Do you think that some of these requirements if joined together (aggregated) in series can help to deliver long term employment opportunities?

Yes

No

If yes, how?

4 Do you think that some of these requirements if awarded in small fractions (lots) could assist economic growth?

Yes

No

If yes, how?

5 Do you think that contracts should be awarded on the basis of the smallest economically viable lot?

Yes

No

6 Do you agree that the Council encourages smaller businesses to submit joint or “consortium” bids with other businesses?

Yes

No

Have you ever done this?

Yes

No

If not, what do you believe are the barriers preventing it from happening?

7 Do you believe that the council should take environmental, social, and economic sustainability considerations into account to the fullest extent that it is able to in aggregating and lotting?

Yes

No

Please explain why you take this view

Many thanks for taking the time to respond to this questionnaire. Your response will be treated confidentially and no answer published will be published in a way in which it could be attributed to any individual or business.

Responses will be used in compiling proposals for procurement reform within the Council, which will be presented to its Finance, Housing, and Resources Committee in June this year. Subject to Committee approval an implementation plan will then be developed and changes brought in over the following twelve months

Please send your response by Friday 15th March to

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