



# **The Highland Council Annual Procurement Report**

**1 April 2019 to 31 March 2020**

## **Contents**

<b>Introduction.....</b>	<b>3</b>
<b>Section 1 – Summary of Regulated Procurements .....</b>	<b>5</b>
<b>Section 2 – Review of Regulated Procurement Compliance.....</b>	<b>7</b>
<b>Section 3 – Community Benefit.....</b>	<b>12</b>
<b>Section 4 – Supported Businesses.....</b>	<b>18</b>
<b>Section 5 – Future Regulated Procurements .....</b>	<b>20</b>
<b>Appendix 1 – Regulated Procurements – 1 April 2019 to 31 March 2020.....</b>	<b>Error!</b>
Bookmark not defined.	
<b>Appendix 2 – Future Regulated Procurements 2020-2022 .....</b>	<b>21</b>

## Introduction

This is The Highland Council's Annual Procurement Report; the report covers the Council's procurement activity from 1 April 2019 to 31 March 2020. The report includes anticipated future procurement activity over the next two financial years - 2020 to 2022.

The annual report records and publicises the Authorities performance and achievements in delivering its procurement strategy. This report has been produced in accordance with the guidance issued by the Scottish Government.

The Highland Council is part of the Commercial & Procurement Shared Services (C&PSS), a shared service agreement with Aberdeen City Council and Aberdeenshire Council. A joint Procurement Strategy 2017-2022 was published in November 2017, as required by the Procurement Reform (Scotland) Act 2014.

The high level strategic priorities of the joint procurement strategy focuses on key themes of **Efficiency**, **Governance** and **Improvement** continue to underpin all procurement activity.

- **Support the delivery of financial savings and non-financial efficiencies** through leverage of a combined contract portfolio;
- **Deliver value and innovation** by effective use of category and commercial management techniques and utilisation of spend analytic tools to enable smarter decision-making; identify collaborative opportunities and provide sector-specific market intelligence to inform decision making;
- **Support the local economy** by representing the North and East region as a single voice at national framework user intelligence groups to ensure the needs of the communities considered; maximise opportunities for the local supply chain, SMEs and third sector organisations
- **Increased collaboration and standardisation** without compromising governance/legislative compliance, the approach allows increased focus on:
  - Savings capture;
  - Market management;
  - Effective negotiation;
  - Exploration of new business models/opportunities; and
  - Social value

The Shared Service is overseen by the Strategic Procurement Board, the board is comprised of Senior Leaders from across the 3 Council's and has responsibility for:

- Oversight of the delivery of the services set out in the Service Level Agreement (SLA) between the partners to the joint arrangement.
- Review the performance of the service using Key Indicators (such as the following) and providing scrutiny and challenge, where appropriate:

- Local Supplier Spend;
  - Collaborative Spend;
  - Community Benefits;
  - % of spend on and off contract;
  - Savings flowing from the joint arrangements.
- Oversight of a programme of digitisation of as many procurement processes as possible across the shared arrangement.
  - Providing oversight of the roll out of a procurement capability programme across the shared arrangement.

## Section 1 – Summary of Regulated Procurements

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

Regulated procurements are any procurement for goods and services with a value above £50,000 and works contracts with a value of above £2 million. A summary of the regulated procurements awarded within financial year 1 April 2019 and 31 March 2020 is provided in the table below.

The information contained within the table includes the award of mini-competitions or call-offs from established frameworks. The Council use a number of national framework providers including Scotland Excel and Scottish Government.

The Council maintains and publishes a contract register of contracts awarded on its website. The contract register provides information on current contracts and can be viewed by suppliers to identify any future opportunities they may be interested in.

### Regulated Procurements from 1 April 2019 until 31 March 2020

Regulated Procurements	
Number of regulated procurements awarded	19
Total estimated value of procurement contracts awarded	£102,343,623.72
Number of regulated works contracts awarded	7
Number of regulated service contracts awarded	10
Number of regulated supply/goods contracts awarded	2

A detailed list of regulated procurements can be found in Appendix 1 – Details of Regulated Procurements.

Regulated Procurements (call-offs from established frameworks)	
Number of call-offs	3
Total estimated value of procurement contracts awarded	£4,724,372.00
Number of regulated works contracts awarded	2
Number of regulated service contracts awarded	1

Management information from Scotland Excel at the end of Q4 19/20 shows that The Highland Council participated in 61 out of 69 (88%) of the available framework agreements over the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

The number of local suppliers on live frameworks was 17, with £1,200,000 spent with these suppliers in the period .

### **Low value/Non-regulated Procurements**

The Council promotes the utilisation of Public Contracts Scotland for low value procurements, by facilitating quotes via Quick Quotes for requirements above £10,000 (supply/goods and services) above £50,000 (works), below regulated procurement threshold.

### **Low value/Non-regulated Procurements from 1 April 2019 until 31 March 2020**

<b>Low value/Non-regulated Procurements</b>	
Number of low value/non- regulated procurements awarded	202
Total estimated value of procurement contracts awarded	£23,178,158.72
Number of low value/non- regulated works contracts awarded	179
Number of low value/non- regulated service contracts awarded	23

<b>Low value/Non-regulated Procurements (call-offs from established frameworks)</b>	
Number of call-offs	5
Total estimated value of procurement contracts awarded	£2,394,887.00
Number of low value/non- regulated works contracts awarded	4
Number of low value/non- regulated service contracts awarded	1

## **Section 2 – Review of Regulated Procurement Compliance**

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

The procurement strategy includes high level strategic priorities, which focus on key themes of Efficiency, Governance and Improvement to underpin all procurement activity:-

- **Support the delivery of financial and non-financial efficiencies;**
- **Deliver value and innovation;**
- **Support the local economy;**
- **Increased collaboration and standardisation.**

### **Support the delivery of financial and non-financial efficiencies**

C&PSS worked with Council Services and Suppliers to deliver cashable and non-cashable savings for the Council, through delivery of new contracts; reduction of supply base; consolidation of spend; product rationalisation.

#### **Financial efficiencies**

Financial efficiencies of £725,000 (Revenue) were achieved during the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

#### **Non-financial efficiencies**

The Report covers this within Section 3 – Community Benefit Summary.

### **Deliver Value and Innovation and increased collaboration and standardisation**

The inclusion of the Council into the C&PSS is enabling a greater level of collaboration and standardisation across the 3 partner councils in the following areas:-

- Identification of collaborative procurement opportunities to generate best value, with establishment of Collaborative Intelligence Groups across key commodity areas i.e. Fleet, Waste, Professional Services.
- Identification of consolidation and aggregation of spend opportunities to generate best value
- Identification of product rationalisation and alternative to generate best value;

- Sharing of best practice and processes to identify standardisation, consistency, efficiency and effectiveness;
- Identification of commercial opportunities (including income generation) for the future;
- Identification of new service delivery models;
- Maximising the benefits of digital technology for example purchase to pay processes, electronic tendering, e-auctions and dynamic purchasing systems.

The 3 council partners take advantage of the above opportunities as and when they arise.

### **Support the local economy**

**Statutory Performance Indicator's** - The Accounts Commission (the public spending watchdog for local government) has a statutory power to specify information that councils must publish about their performance. They do this through statutory performance indicators (SPIs). Each Council collects and publishes its information.

The remit for SPI reporting requirement was amended during 2018-19; with a request that all local authorities report on spend with Core Trade suppliers only. Core Trade being defined as: Suppliers with whom over £1000 has been spent in a 12-month period, that have also been classified as a health, social care, arts, political, religious or trading organization.

Two SPIs relevant to the local economy and procurement related spend are - spend with local suppliers and local SMEs.

The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on locality and size of business.

The table below shows a comparison of core trade spend with local businesses and SME's in financial year 2019-20 and 2018-19:

### Spend Based on Core Trade where Local Authority is known

	Total Spend in Financial Year 19/20	% of total spend in Financial Year 19/20	Total Number of Suppliers	% of total suppliers	Total Spend in Financial Year 18/19	% of total spend in Financial Year 18/19	Total Number of Suppliers	% of total suppliers
Core Trade Spend All Areas, where Local Authority Area is known – All Areas	£346,015,743.56	100%	2235	100%	£293,207,327.53	100%	2262	100%
Spend within Highland – Core Trade Suppliers that are local	£163,744,536.29	47.32%	1035	46.31%	£127,715,230.29	43.56%	1065	47.08%
Spend within Highland – Core Trade Suppliers that are local SMEs	£88,836,692.56	25.67%	717	32.08%	£89,520,465.13	30.53%	799	35.32%

The table above shows an increase in the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 in the amount spent with local suppliers.

SME definition as per Spikes is:

Legend	Details
Small	Less than 50 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise.
Medium	Between 50 and 249 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Large	Greater than or equal to 250 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £22.8m will be taken as an indicator that it is a large enterprise.

Spend in the annual report is based on spend by local authority area based on core trade creditors only; the Local authority areas as defined by the ONS (Office of National Statistics); Core-Trade: Suppliers with whom over £1000 has been spent in a 12 month period, that have also been classed as a trading organisation or as a non-trade social care provider.

## **Supplier Development Programme**

Supplier events and bulletins are used to raise awareness of tender opportunities and how to do business with the Council.

The Commercial & Procurement Shared Service were associate members of the Supplier Development Programme (SDP) during 2019/20. The associate membership status provides locally registered suppliers the chance to attend events and access webinars. The intention for 2020/21 is to have full membership with the Supplier Development Programme with the programme to be developed having an increased focus on future, actual contract opportunities (pipelines) across the main commodity categories, particularly where the local business community can help to shape/scope requirements to ensure competitiveness, a diverse marketplace and inclusive participation.

The events would explore community benefits attached to those future contracting opportunities showcasing potential subcontracting opportunities for local SMEs/local 3rd sector/supported business allowing for networking ideally networking between 3rd sector and private sector to encourage collaborative working.

## **Review of regulated procurement compliance**

All regulated procurement in the Council is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with the Strategy. Legal requirements are set out in the Council's Financial Regulations. Procedural requirements are set out in the Scottish Government Procurement Journey (for general procurement best practice) and through our Procurement Manual (used in conjunction with the Scheme of Governance).

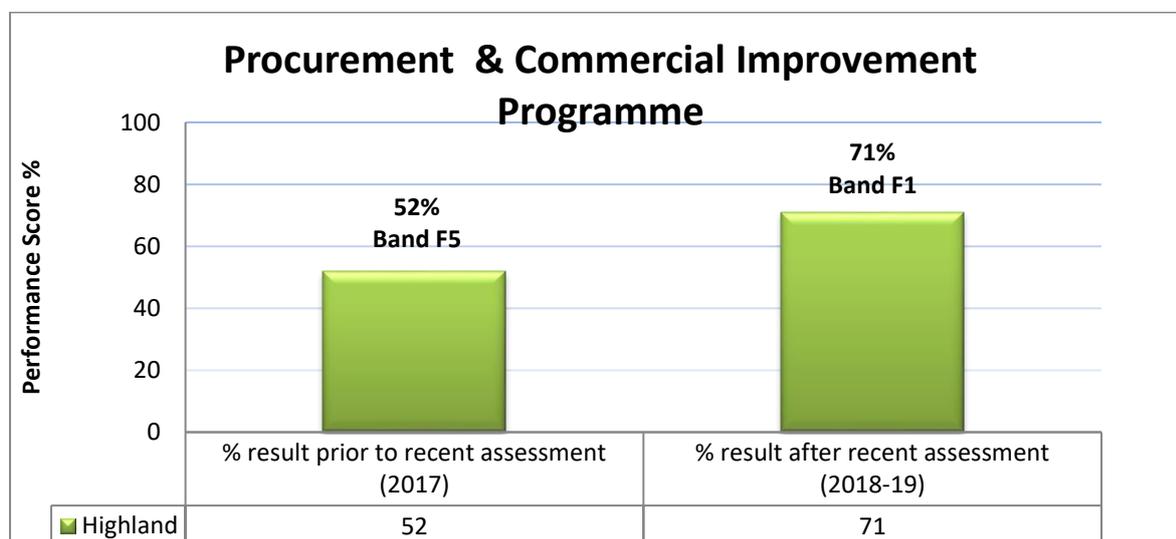
During the reporting period the Council identified areas for improvement in compliance with regulated procurement legislation, and in summary were around identification of aggregated expenditure across council to ensure compliant with thresholds for regulated procurements, review and recording of existing contracts to ensure our contract register is up-to-date and the raising of purchase orders. Within the continuous improvement section are details of improvement actions carried out and future planned activity.

## **Continuous Improvement**

In March 2019 the Council underwent its 2<sup>nd</sup> Procurement & Commercial Improvement Programme (PCIP) assessment. The Council made significant improvements across spectrum taking the score banding from F5 to F1, which is the top performing band bringing the Council into same banding as Aberdeen City Council and Aberdeenshire Council.

## PCIP Results

PCIP Assessment Date	Score	Banding
March 2017	52%	F5
March 2019	71%	F1



The Commercial & Procurement Shared Services are continually driving improvement, through comprehensive guidance and training. The focus in financial year 19/20 has been on further developing guidance and materials to support Delegated Procurers for launch in financial year 20/21. All members of staff involved in procurement across the Highland Council are required to be approved to a certain Delegated Procurement Authority (or DPA) level, depending on the procurement tasks they perform - from low level purchases to full competitive tenders.

A look ahead to objectives for delivery in financial year 2020-21:

- Launch updated procurement training modules
- The procurement manual is a living document; a comprehensive review and revision will be undertaken, including a revision of all associated templates.
- Comprehensive review of the procurement strategy will be undertaken
- A programme of events will be developed in conjunction with SDP to facilitate involvement of the local supply chain
- A review of the Contract Register system will be undertaken, with a view to evolving into a contract management system
- The Commercial & Procurement Shared Service intend to launch a website, it's anticipated the website will have both an external facing section for suppliers/public and an internal facing section for all employees/members across the 3 Councils.

## Section 3 – Community Benefit Summary

### Statutory Requirement

Section 18(2) (d) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: “a summary of any community benefit requirements **imposed** as part of a regulated procurement **that were fulfilled** during the year covered by the report”.

### Interpretation

“**Imposed**” has been interpreted to mean community benefit requirements **included** within regulated procurements published in the reporting period. Reporting is intended to capture community benefit inclusion at all stages of incorporation, implementation and fulfilment.

The point at which community benefit requirements are truly “fulfilled” can be a matter of interpretation. Some community benefits outcomes can take a period of years to complete. “Fulfilled” has been interpreted to include community benefits “**underway**” and “**in process.**” Maximum flexibility is offered to suppliers as to when community benefit requirements commence and are ultimately “fulfilled”. For example, a contract imposing quantities of apprenticeships in a four-year contract would not in all cases be prescriptive about how many apprentices commence in each year of the contract. Community benefit requirements and quantities are commonly designed in terms of the total number of outcomes to be delivered over the entire contract term. Suppliers are held to their total community benefit commitments (imposed and volunteered) over the life of the contract

### Performance Analysis Summary 2019/2020

- Where the Council was the Contracting Authority, **19** contracts published of which **13** were of “regulated” value; <sup>1</sup>
- **86** CB outcomes imposed in contracts advertised by the Council + **26** Scotland Excel outcomes (**Total: 112**)
- **6 of 13** regulated contracts (**46.2%**) imposed community benefit requirements;
- **4 of 13** regulated contracts (**30.8%**) imposed requirements relating to Fair Work Practices (including Real Living Wage.) **100%** of Scotland Excel frameworks imposed similar requirements;

### Related Duties

Ensuring regulated procurements contribute to the carrying out of our functions and achieving our purposes;

Delivering value for money;

---

<sup>1</sup> \*Regulated contracts are those with a total value of over £50,000 (goods and services) or with a total value of over £2M in the case of works.

Treating economic operators equally and without discrimination;

Acting in a transparent and proportionate manner;

Compliance with the sustainable procurement duty;

Policy on payment of the Real Living Wage;

Engaging with those affected by our procurement.

### **Statutory Consultations, National Research and Calls For Evidence**

In the reporting period, C&PSS made extensive, positive contributions to the following:

Scottish Government commissioned research re “Analysis of the Impact of the Sustainable Procurement Duty” **(Jan 2020)**

Circular Economy Bill **(Dec 2019)**

Role of Public Bodies in Tackling Climate Change **(Dec 2019)**

National TOMS Framework (Themes Outcomes and Measures) Social Value Portal **(Oct/Nov 2019)**

### **Achievements:**

C&PSS invited to participate in judging panel for Scotland Excel “Supplier Excellence Awards” **(Nov/Dec 2019)**

C&PSS invited to speak at the Scotland Excel Annual Conference re approach to community benefits. Approach and Community Benefits Project Plan considered to represent examples of innovative best practice. **(Feb 2020)**

<b>Scotland Excel Community Benefit Outcomes Summary (1<sup>st</sup> Apr 2019 to 30<sup>th</sup> Sept 2019) – localised community benefit delivery under SXL national frameworks</b>	<b>Outcomes Delivered</b>
1. X1 part apprentice	1
2. Work Placements for school age pupils <b>608 hours</b>	1
3. Community/3 <sup>rd</sup> sector support/sponsorship with monetary value of <b>£14,638</b>	24
<b>Total</b>	<b>26</b>

### **Approach to Community Benefits**

In the reporting period, procurement activity has been guided by the commitments and aspirations expressed in our Joint Procurement Strategy. Our “Mission Statement” commits to delivery of:

**“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”**

Beyond mandatory (£4M) and regulated thresholds (£50K for goods and services/£2M for works) the partner councils routinely seek:

**“leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities”**

Our themed approach to community benefits continues to evolve and improve in close alignment with the following local and national priorities:

1) [Highland Outcome Improvement Plan](#)

2) [National Performance Framework](#).

### **Proportionality and Relevancy**

Approaches mitigate the traditionally limiting effects of “**proportionality**” and “**relevancy**”, promote local and national sources of 3<sup>rd</sup> sector/agency support and capture additional voluntary commitments from suppliers. A key consideration is pitching requirements appropriately to ensure the inclusive participation of SMEs/local SMEs/3<sup>rd</sup> Sector/local 3<sup>rd</sup> sector organisations. Bidders are routinely encouraged to volunteer “more of the same”, different or enhanced community benefits in their bid and during contract performance. In addressing the challenge of ensuring requirements are “proportionate and relevant”, not only the value and nature of the contract is accounted for, but the length of the contract and the physical presence (or remoteness) of the supplier in delivering requirements.

### **Real Living Wage**

Real Living Wage is promoted as an element of “Fair Work Practices” in every regulated contract where it is proportionate and relevant to do so. **Note**, payment of Real Living Wage/Living Wage Employer Accreditation is not permissible as a mandatory condition of participation in public procurement or in isolation, as would be unfairly disadvantage those who are not accredited but as an organisation we encourage this through our procurement activity and questions asked of bidders at tender stage.

### **Community Benefit Themes**

Sustainable procurement/community benefit themes have been condensed into the following table to guide procurers and bidders. The themes link to national and local priorities consistent with the [Scottish Model of Procurement](#) and [National Performance Framework](#). The table is used to generate proportionate and relevant

outcome focussed themes. The table appears in sourcing strategies and tender documentation.

<b>Improve (Wellbeing)</b>	<b>Promote</b>	<b>Facilitate (Involve)</b>
Social	Innovation	SMEs
Economic	Equalities/reduce Inequality	3 <sup>rd</sup> Sector organisations
Environmental	Ethical trading and social justice	Supported Businesses
Health	Fair Work Practices/The Living Wage	Prompt Payment throughout the supply chain
Food poverty/fuel poverty/energy efficiency	Resource efficiency and the circular economy	Community engagement and community empowerment; community projects
Air quality/reduction of harmful emissions/reduction of waste and packaging	Education; employability and skills training	Collaboration and collaborative working

**To supplement the table of themes above, a diverse range of specific community benefit requirements has been developed for use in goods/services/works contracts and in health and social care contracts. The list is not ranked in terms of organisational preference or priority**

<b>1</b>	Fair Work Practices/Real Living Wage (RLW)
<b>2</b>	Equalities
<b>3</b>	3 <sup>rd</sup> Sector Support
<b>4</b>	Environmental Measures
<b>5</b>	Innovation/Case Studies
<b>6</b>	Apprenticeships
<b>7</b>	Placements
<b>8</b>	Qualifying the Workforce
<b>9</b>	School Visits
<b>10</b>	Curriculum Support
<b>11</b>	Employability Engagement Activities
<b>12</b>	Supplier Development/Subcontracting Opportunities
<b>13</b>	Prompt Payment throughout The Supply Chain
<b>14</b>	Local Economic Development Measures
<b>15</b>	Promotion of Adoption and Fostering

Despite presenting challenges to evidence capture, bidders are offered maximum creative freedom and flexibility in meeting requirements. This helps to ensure the inclusive participation of SMEs and the 3<sup>rd</sup> sector (based locally or elsewhere) without compromising the scale and range of community benefit outcomes secured and delivered in our contracts.

The ambition of approach creates demands on the sophistication and consistency of reporting. The Council chooses to meet this challenge in preference to more conservative approaches that might present fewer reporting challenges.

## Developments In the Reporting Period and Future Plans

Close partnership working with community planning partners, third sector interfaces, Senscot, social enterprises and other local partners has increased general awareness of community benefits and highlighted the potential for increasingly meaningful locality-based community benefit outcomes **i)** in Council contracts and **ii)** in procurement activity involving local partners. It is hoped that collaborative approaches will lead to an increase in co-designed community benefits welcomed and valued by our communities.

It is hoped improvement initiatives aligned to early intervention and prevention, community empowerment, the National Performance framework, and the LOIP will continue to be developed. Such initiatives could explore increased scope for co-design of community benefits including compatibility with participatory budgeting principles and increased involvement of local social enterprises at a strategic level under alternative commissioning models.

Increased, proactive use of forward-looking workplans and pipelines will identify the potential for added social, economic or environmental value at a much earlier stage. A strategic, integrated approach of this nature will not only allow for earlier market engagement but also highlight additional gains in terms of collaboration or aggregation opportunities.

## Analysis of Council Contracts – CB Requirements Imposed and Fulfilled

### **i) Contracts £4M+ in Value (Advertised - Awarded)**

Total **awarded** regulated contracts with a value £4M+ – 1

Total **awarded** regulated contracts with a value £4M+ imposing CB requirements – 1

CB outcomes imposed in **awarded** contracts £4M+ - 61

<b>Community Benefit Outcomes Summary (£4M+ Awarded)</b>	<b>Outcomes</b>
1. Jobs Created by The Project (New Start Apprenticeships)	7
2. Apprenticeships (Retained and utilised on council projects)	6
3. Jobs Created (anticipated)	6
2. Work Experience Placements	14
3. Qualifying the Workforce (e.g. SVQ/NVQ)	8
4. School Engagement Activities/curriculum support	6
5. Further and Higher Education Engagement (graduate site visit)	1
6. Subcontractor Supervisor Training	5
7. Subcontractor Leadership & Management Training	3
8. Advanced Health & Safety Training	5
<b>Total</b>	<b>61</b>

Community benefit requirements and quantities designed in terms of the total number of outcomes to be delivered over the entire contract term rather than per annum. Suppliers will be held to their total community benefit commitments (imposed and volunteered) over the life of the contract.

**ii) Contracts £4M+ in Value (Advertised - Not Awarded)**

Total regulated contracts (**not awarded**) with a value £4M+ –1

Total regulated contracts (**not awarded**) with a value £4M+ imposing CB requirements – 1

CB outcomes imposed in contracts (**not awarded**) £4M+ - **To Be Determined**

**iii) <sup>2</sup>Regulated Contracts Under £4M (Advertised – Awarded)**

Total regulated contracts (**awarded**) – 2

Total regulated contracts (**awarded**) imposing CB requirements – 1

CB outcomes imposed in regulated contracts (**awarded**) – 3

<b>Community Benefit Outcomes Summary Regulated - Under £4M (Awarded)</b>	<b>Outcomes</b>
1. Apprenticeships (New Starts)	2
2. School Engagement Activities/curriculum support	1
<b>Total</b>	<b>3</b>

**iv) <sup>3</sup>Regulated Contracts Under £4M (Advertised – Not Awarded)**

Total regulated contracts (**not awarded**) –9

Total regulated contracts (**not awarded**) imposing CB requirements - 4

CB outcomes imposed in regulated contracts (**not awarded**) – 22

<b>Community Benefit Outcomes Summary Regulated - Under £4M</b>	<b>Outcomes</b>
1. Apprenticeships (New Starts)	1
2. Work Experience Placements with focus on care experienced young people (5 days – 8 weeks) & disabled person opportunities	5
3. Fair Work Practices Including” Real” Living Wage (including gender pay gap reporting)	4
4. Environmental Wellbeing (e.g. emissions class of vehicles, effective route planning, minimisation waste/packaging and co-operation with the Council in terms of Climate Change Duties)	2
5. SME/3rd Sector Support (Duty to Report) - local economic development measures	1
6. Case Studies (showcasing innovation or other forms of exemplary good practice)	5
7. Equalities	2
8. Innovation	2
<b>Total</b>	<b>22</b>

<sup>2</sup> \*Regulated contracts are those with a total value of over £50,000 (goods and services) or with a total value of over £2M in the case of works.

## Section 4 – Supported Businesses Summary

### Statutory Requirement

Section 18(2) (e) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: **“a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”**.

### Related Duties

- Engaging with those affected by our procurements;
- Ensuring regulated procurements contribute to the carrying out of our functions/achieving our purposes;
- Acting in a transparent and proportionate manner;
- Policy on the use of community benefit requirements;
- Compliance with the sustainable procurement duty.

The Council currently has contracts in place with supported businesses previously awarded through regulated procurements, details of the total spend in 2019-2020 with these suppliers is listed below.

### **Spend with Contracted Supported Businesses**

Supplier Name	Total spend 2019-20
New Start Highland	£831,867

[New Start Highland](#) provides employment opportunities for adults facing extensive barriers to employment including learning disabilities, physical disability, sensory loss/impairment, convictions, mental health issues, recovered/recovering from substance misuse and young people not in education, employment or training (NEET)

### Steps Taken to Facilitate Supported Businesses

C&PSS has initiated and contributed to several national conversations involving Senscot and Social Firms Scotland regarding supported businesses. Solutions-focused areas for exploration have been put forward by C&PSS in the hope that central government guidance/clarification will follow e.g.:

- The ability of a supported business to compliantly subcontract services/works **not** performed by disabled/disadvantaged persons;
- Treatment of volunteers (as potential employees) for the purposes of applying the 30% “disabled or disadvantaged” workforce threshold.

It is hoped that guidance/clarification in these areas will allow organisations interested in being recognised as supported businesses to progress recognition

more quickly and easily. An increase in local organisations acquiring supported business status potentially opens alternative commissioning models for the council and opportunities for local social enterprises and social enterprises looking to locate to the area. In supplier development materials and information cascaded by the Council, it has been emphasised that supported business status offers “dual” contracting status i.e. it does not restrict an organisation from responding to general contract opportunities as well as reserved contracts.

In the reporting period, there has been a growing recognition that supported businesses can secure opportunities in the direct (Tier 1) supply chain and Tier 2 (subcontract) supply chain. Furthermore, it has been recognised that supported businesses/reserved contracts present one of the most significant ways the council can play an active role in positively influencing national aspirations to reduce the disability employment gap.

In the reporting period, it has become increasingly evident that there is scope to introduce proactive, practical measures to ensure that tender documents are capable of reflecting (where proportionate and relevant) meaningful expectations in terms of the engagement of supported businesses in the bidder’s supply chain. This is entirely consistent with the approach to community benefits detailed in section 3. The table of themes detailed in Section 3, includes “Facilitate (Involve)” supported businesses as a standalone community benefit theme.

### **Effective Partnership Working**

In the reporting period, C&PSS has strengthened closer partnerships with local third sector interface organisations, Sencot/P4P, local social enterprises and Equalities Teams to raise awareness of and build capacity within the 3<sup>rd</sup> sector in terms of the supported business regime.

### **Future Objectives:**

Continue to work with Sencot/P4P, Social Firms Scotland and Social Enterprise Connect Scotland to positively influence policy at a national level i) to make recognition as a supported business (especially at a local level) easier and quicker for organisations and ii) explore the extent of compliant subcontracting by supported businesses;

Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”.

The Council’s Contract Standing Orders requires officer to consider how in the procurement process for regulated procurements that they can facilitate the involvement of SMEs, third sector bodies and supported businesses in the process.

## **Section 5 – Future Regulated Procurements Summary**

Section 18(2) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.”

Data to produce the future regulated procurement summary is a combination of Work Plans as required to be produced on an annual basis by each Service area under Contract Standing Orders, and current contracts on the Council’s Contracts Register that are due to expire and need to be renewed over the next two years are also identified and added to the forward plan.

C&PSS have developed a Highland Council 24-month forward plan (see Appendix 2, the 24-month plan includes details of contract type: renewal, new, etc.).

### **The annual procurement report owner:**

Craig Innes, Chief Officer Commercial & Procurement Shared Service  
[cinnes@aberdeencity.gov.uk](mailto:cinnes@aberdeencity.gov.uk)

## Appendix 1 – Regulated Procurements - 1 April 2019 to 31 March 2020

PCS Document ID/ Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
620078	SUPPLY ONLY, SUPPLY HAUL AND LAY OF QUARRY AND BITUMINOUS MATERIALS 2019	Supplies	C	£ 2,086,957.00	Aggregate Industries, A & W Sinclair Ltd, GMR Henderson builders ltd, John Gunn & Sons Ltd, Leiths (Scotland) Ltd, Pat Munro (Alness) Ltd, Tarmac Caledonian Ltd., Wm Munro Construction (Highland) Ltd, MGL Contractors, Breedon Aggregates Scotland Ltd	02/07/2019	01/07/2019	01/05/2021
618536	Treatment of Co-Mingled Mixed Recyclate (CMR) for THC AWARD	Services	C	£ 5,654,277.00	SUEZ Recycling and Recovery UK Ltd	04/03/2020	04/03/2020	04/09/2021
611629	Invergordon Waste Haulage - AWARDED	Services	C	£ 550,028.00	Gogar Services Ltd	17/01/2020	01/02/2020	01/02/2021
596812	Waste Management Services - Lots 2b and 2c Inverness	Services	C	£51,028,491.00	SUEZ Recycling & Recovery UK LTD	13/05/2019	01/10/2019	01/01/2021
596806	Waste Management Services - Lots 3a and 3b Lochaber	Services	C	£ 1,703,467.00	Bowmans (Locheil Logistics Ltd)	13/05/2019	01/10/2019	01/01/2021
596389	DIHD18027 - 40 New Housing Units, Upper Achintore PS, Fort William	Works	C	£ 6,213,137.56	TSL Contractors Limited	30/08/2019	07/10/2019	07/10/2024

PCS Document ID/ Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
591766	DIHD18018 - 38 New Housing Units, Kinmylies, Inverness	Works	C	£ 4,890,683.34	Bancon Construction	26/06/2019	01/08/2019	01/11/2020
590388	Provision of an Occupational Health Service 2019	Services	C	£ 1,307,835.00	Iqarus Ltd	01/04/2019	01/04/2019	01/04/2022
590388	Provision of an Occupational Health Service 2019	Services	C	£ 1,307,835.00	NHS Highland	01/04/2019	01/04/2019	01/04/2022
588291	DI18043 - Inverness Castle Redevelopment, Architect Appointment	Services	C	£ 187,700.00	LDN Architects LLP	10/04/2019	06/05/2019	06/07/2021
585756	Inverness Wireless Mesh Network	Supplies	C	£ 486,316.00	Vemotion Interactive Ltd	02/05/2019	02/05/2019	02/05/2022
584392	Waste Management Services - Lot 4 Badenoch & Strathspey	Services	C	£ 93,750.00	David Ritchie & Sons Limited	20/05/2019	01/10/2019	01/01/2021
582287	Insurance Services	Services	C	£ 4,196,000.00	Zurich Municipal	16/04/2019	01/04/2019	01/04/2024
581099	Inverness West Link Stage 2	Works	C	£10,101,500.00	RJ McLeod (Contractors) Ltd	15/04/2019	27/05/2019	27/11/2020
606616	Award of Replacement Heating, Ross & Cromarty	Works	C	£ 2,705,370.00	Korrie Mechanical and Plumbing Ltd	29/11/2019	06/01/2020	06/07/2020
588010	DIHD18003 - New Housing Development, Torvean, Inverness	Works	C	£ 5,105,904.82	Compass Building & Construction Services	10/05/2019	03/06/2019	03/09/2020

**Regulated Procurements (call-offs from established frameworks) – 1 April 2019 to 31 March 2020**

PCS Document ID/ Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
603781	Award of Route Optimisation Software	Services	CO	£ 140,000.00	Bramble Hub Limited	04/04/2019	29/03/2019	29/03/2024
615099	Locaber High School Photovoltaic Site	Works	CO	£ 2,575,584.00	Absolute Solar and Wind Ltd	11/06/2019	11/06/2019	11/07/2019
614670	CR19002 Alness Academy Photovoltaic Site	Works	CO	£ 2,008,788.00	Absolute Solar and Wind Ltd	11/02/2020	17/02/2020	17/03/2020

## Appendix 2 – Future Regulated Procurements 2020-2022

Description	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Collection of Mixed Glass from Local Authority Collection Points	Renewal	2nd half of 2020	£639,167	Contract has an extension available until 31/05/21
Green Waste Composting	Renewal	2nd half of 2020	£1,464,000	
Award of Security Solutions - Inverness Service Point	Renewal	2nd half of 2020	£94,000	
School Meals Conveyancing 2015	Renewal	2nd half of 2020	£558,676	Contract has an extension available until 25/10/21
Business Development Services Framework Agreement - Highland and Moray	Renewal	2nd half of 2020	£1,445,036	
Wood Dust & CDT Equipment - Servicing, Maintenance, Repairs & Call Outs	Renewal	2nd half of 2020	£397,322	Contract has an extension available until 01/10/21
Road Salt Stevedoring Services 2016	Renewal	2nd half of 2020	£78,797	
Fire & Security Systems - Servicing, Maintenance, Repairs & Call Outs	Renewal	2nd half of 2020	£806,568	Contract has an extension available until 05/10/21
Hosted Customer Relationship Management System -The Highland Council	Renewal	2nd half of 2020	£402,860	Contract has an extension available until 24/11/22
Gas Safety Checks (Non Domestic) Inspection, Servicing, Repairs & Call Outs	Renewal	2nd half of 2020	£343,836	Contract has an extension available until 31/10/22
Emergency Generators - Servicing, Maintenance, Repairs & Call Outs	Renewal	2nd half of 2020	£75,854	Contract has an extension available until 10/12/21
School Pupil and Public Transport Sutherland T.01 2015	Renewal	2nd half of 2020	£408,761	Contract has an extension available until 31/12/21
Waste Management Services - Lot 4 Badenoch & Strathspey	Renewal	2nd half of 2020	£93,750	

Description	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Waste Management Services - Lots 2b and 2c Inverness	Renewal	2nd half of 2020	£51,028,491	
Waste Management Services - Lots 3a and 3b Lochaber	Renewal	2nd half of 2020	£1,703,467	
Award of Mentoring Pilot Project	Renewal	2nd half of 2020		
Framework Agreement for Superimposed Road Markings & Associated Services	Renewal	2nd half of 2020	£1,736,000	Contract has an extension available until 17/12/21
Confidential Waste Disposal Services 2017	Renewal	2nd half of 2020	£95,367	
SWAN Managed LAN Service	Renewal	2nd half of 2020	£1,778,382	
Invergordon Waste Haulage - AWARDED	Renewal	2nd half of 2020	£550,028	Contract has an extension available until 31/01/22
Award of Plant and Equipment - Procurement through Lease with Full Maintenance	Renewal	2nd half of 2020	£399,120	
Service, Maintenance and Repair of Community Equipment	Renewal	2nd half of 2020	£900,000	
L8 Compliance - Caithness & Sutherland (Areas 1 & 2)	Renewal	2nd half of 2020	£66,813	Contract has an extension available until 14/01/22
Bus Shelter Maintenance and New Shelters	Renewal	2nd half of 2020	£400,000	Contract has an extension available until 28/02/22
Fire Engineer Surveys	Renewal	2nd half of 2020		Contract has an extension available until 12/02/22
Business Gateway Services for Lanarkshire	Renewal	2nd half of 2020	£3,553,061	
Award of Fire Suppression Systems - Inspection, Servicing, Repairs & Call Outs	Renewal	2nd half of 2020	£88,750	Contract has an extension available until 28/02/22
Provision of Winter Road Forecasting	Renewal	2nd half of 2020	£715,565	Contract has an extension available until 30/09/22
Marketing Agency Services For Council Advertising And Sponsorship	Renewal	2nd half of 2020	£210,000	Contract has an extension available until 31/03/23

Description	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Temporary Homeless Accommodation 2018	Renewal	2nd half of 2020	£9,416,238	Contract has an extension available until 31/03/22
SUPPLY ONLY, SUPPLY HAUL AND LAY OF QUARRY AND BITUMINOUS MATERIALS 2019	Renewal	1st half of 2021	£8,000,000	Contract has an extension available until 30/04/23
Award of CR19006 Salix Lighting Framework	Renewal	1st half of 2021		
Provision of Advice and Information Services	Renewal	1st half of 2021	£3,503,000	
External Legal Services Framework	Renewal	1st half of 2021	£4,000,000	Contract has an extension available until 06/05/23
Provision of Bottled and Tank Gas 2017	Renewal	1st half of 2021	£366,000	
Temporary & Interim Agency Staff 2020	Renewal	1st half of 2021	£1,469,645	
Catering for Civic Functions Framework Agreement	Renewal	1st half of 2021	£400,000	Contract has an extension available until 07/05/22
Non-Domestic Oil Boilers - Servicing, Maintenance, Repairs & Call Outs	Renewal	1st half of 2021	£269,823	Contract has an extension available until 27/05/22
Provision of a Finance Management Information System - Managed Service	Renewal	1st half of 2021	£782,458	Contract has an extension available until 05/06/24
Building Trades Recruitment	Renewal	1st half of 2021	£5,000,000	Contract has an extension available until 10/07/23
Treatment of Co-Mingled Mixed Recyclate (CMR) for THC AWARD	Renewal	1st half of 2021	£5,654,277	Contract has an extension available until 03/03/23
Provision of Renewable Heat and associated Services	Renewal	1st half of 2021	£11,510,682	Contract has an extension available until 06/09/22
Single Occupancy Discount Review Service	Renewal	1st half of 2021	£152,228	Contract has an extension available until 24/09/23
Lift Installations - Servicing, Maintenance, Repairs & Call Outs	Renewal	1st half of 2021	£62,163	Contract has an extension available until 02/09/22

Description	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
School Pupil and Public Transport Sutherland 2015 Negotiated Procedures	Renewal	2nd half of 2021	£2,790,843	Contract has an extension available until 25/11/22
Air Conditioning (Split Systems) - Servicing, Maintenance, Repairs & Call Outs	Renewal	2nd half of 2021	£95,086	Contract has an extension available until 31/10/22
School and Public Transport Negotiated Procedure 2016	Renewal	2nd half of 2021	£3,000,000	Contract has an extension available until 23/12/22
Negotiated Procedure - Route No 2000/2 Grantown Grammar School	Renewal	2nd half of 2021	£113,050	Contract has an extension available until 23/12/22
Negotiated Procedure - Route No 2100/9/ASN Kingussie High School	Renewal	2nd half of 2021	£53,833	Contract has an extension available until 23/12/22
Negotiated Procedure - Route No T2E/2 Transport to Employment	Renewal	2nd half of 2021	£128,067	Contract has an extension available until 23/12/22
School and Public Transport Nov 2016	Renewal	2nd half of 2021	£1,500,000	Contract has an extension available until 23/12/22
Award of North School Transport - QQ 9307/6/ASN	Renewal	2nd half of 2021		
School Pupil and Public Transport Sutherland 2015	Renewal	2nd half of 2021	£5,641,485	Contract has an extension available until 25/12/22
Negotiated Procedure - Route No 4202/1 Cromarty Primary School	Renewal	2nd half of 2021	£69,597	Contract has an extension available until 31/12/22
School and Public Transport 2016	Renewal	2nd half of 2021	£3,866,168	Contract has an extension available until 31/12/22
Inspection, Testing, Maintenance & Minor Repairs to Emergency Lighting Systems	Renewal	2nd half of 2021	£322,592	Contract has an extension available until 17/12/22
Legal Services Framework	Renewal	2nd half of 2021	£12,000,000	Contract has an extension available until 20/12/23

Description	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Kitchen Extract System Cleaning	Renewal	2nd half of 2021	£209,112	Contract has an extension available until 13/01/23
IOT Water Temperature Monitoring Solution	Renewal	2nd half of 2021	£157,757	Contract has an extension available until 27/01/24
Award of SER037 Fixed Electrical Catering Equipment - Servicing, Maintenance, Repairs & Call Outs	Renewal	2nd half of 2021	£271,605	
Framework for the Supply and Maintenance of Cleaning Equipment 2018-2022	Renewal	2nd half of 2021	£400,000	
Roads Maintenance and Improvements Framework	Renewal	2nd half of 2021	£10,200,000	Contract has an extension available until 31/03/24
ICT Core Services for The Highland Council	Renewal	2nd half of 2021	£50,843,000	Contract has an extension available until 31/03/24
Delivery of Stroke Support Service	Renewal	2nd half of 2021	£242,055	

