

South Ayrshire Council

Report by Assistant Director - Place
to Service and Performance Panel
of 29 March 2022

Subject: Local Procurement Policy Statement - Update

1. Purpose

- 1.1 The purpose of this report is to provide an update to the Service and Performance Panel on the actions in regard to the Local Procurement Policy Statement first approved at Leadership Panel in March 2021.

2. Recommendation

- 2.1 **It is recommended that the Panel scrutinises the progress made to implement the policy and further proposals in section 4.**

3. Background

- 3.1 Public procurement is a key driver of policy development and service delivery which supports sustainable economic growth. As such, in 2012, the Council updated its internal procurement rules for contracts under £50,000, to maximise the opportunity for local suppliers to win Council business and in turn support local economic regeneration.
- 3.2 The sustainable procurement duty, outlined in Procurement Reform (Scotland) Act 2014 now requires contracting authorities in Scotland, before buying anything, to consider how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality. It also requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses, and how public procurement can be used to promote innovation.
- 3.3 Due to the effects of the recent pandemic on local suppliers, and the fact that many items purchased by the Council (e.g. personal protective equipment) had to be procured through regulated emergency routes/accelerated procedures, the overall percentage of spend with local suppliers only increased from 25% in 19/20 to 26% in 2021. Procurement Officers also undertook crisis procurement training via a Scotland Excel Workshop during this time.
- 3.4 Work in 2018 saw a renewed collaboration between Procurement and Economic Development to develop a package of support to local businesses to help them to identify, bid for, and win public sector contracts. Since then, the Economy & Regeneration officer embedded in Corporate Procurement has changed roles and the structure of the Economy and Regeneration has changed significantly with recruitment of three, dedicated, Community Wealth Building officers. The Corporate

Procurement team has also experienced changes in staff and structure with a new Service Lead, appointed on 21 September 2021 and 2 new Coordinators being appointed in August 2021.

- 3.5 One of the Community Wealth Building officers has now been aligned to work closely with the Procurement team. Working sessions for this officer and various members of the procurement team have already started so that opportunities to increase local spend can be identified and actions for both teams can be defined in line with Procurement regulations and the Councils Standing Orders for Contracts.
- 3.6 Actions completed to date and actions in progress taken against the objectives in the Local Procurement Policy are shown in [Appendix 1](#).
- 3.7 The Councils Procurement Journey Route 0 guidance currently has no guidance for staff in terms of involving local suppliers. For spend under £10,000 employees with the relevant approval limit are authorised to procure through the purchase to pay system without the involvement of Procurement. A report to Leadership Panel on 1 March 2022 proposed that this guidance is updated to state that staff must consider if their requirement can be met via local suppliers within South Ayrshire where possible and to contact the Procurement team for assistance in matching suppliers to their requirements.
- 3.8 The Councils Procurement Journey Route 1 guidance currently states that for all Procurement exercises between the value of £10,000 and £49,999 6 suppliers should be invited to bid where possible. Where available, 3 of these suppliers are to be located in Ayrshire. The Local Procurement Policy Statement has proposed that 'local' means where possible, and in accordance with Procurement legislation, South Ayrshire. A report to Leadership Panel on 1st March 2022 proposed to update the Procurement Journey route 1 guidance to say that **at least** 1 supplier out of 6 should be located within the South Ayrshire region wherever possible. Therefore, when procuring using Route 1 identifying bidders should follow the guidance below.
- 3.9 A list of suppliers who are invited to quote should include:
- At least one supplier who is located in South Ayrshire;
 - Two suppliers located elsewhere within Ayrshire ;
 - The current incumbent supplier to the Council;
 - One supplier who is not a current supplier of the requirement to South Ayrshire Council; and
 - One other supplier at the discretion of the Quick Quote owner.
- 3.10 This change will be reflected in the Guidance appearing on The Core and communicated via the communications team and reiterated at Procurement meetings with each service.

4. Proposals

- 4.1 The Procurement team will work with the Supplier Development Programme to host events and training with the purpose of upskilling local suppliers in aspects of Procurement and the tendering process. The courses are free of charge and can be hosted remotely or in person if restrictions permit. Some examples of courses are:

- Talking Tenders - Potential tender opportunities in the pipeline;
- Using Public Contracts Scotland (PCS) - How to Find and Bid for Opportunities;
- Planning Your Bid – Time and Resources; and
- How to Write Outstanding Tenders - The Invitation to Tender (ITT) Stage.

4.2 The Procurement team will assess the food provision requirements across the Council and form a strategy to build a South Ayrshire solution to increasing local food spend and thereby involve as many local food suppliers as possible.

4.3 Internal discussions have already begun in terms of requirements and options. The procurement team will work along with the Supplier Development Programme to host a virtual event in April 2022 (date TBC) for discussion with potential local suppliers followed by the aforementioned training courses for local bidders.

4.4 The expected timescales to establish a multi provider framework, following completion of a comprehensive specification of requirements, can take up to 3 months depending on expressions of interest and local availability. The proposal is to have this full exercise completed by Q3 2022 (Jul – Sep).

4.5 The Procurement team along with the aligned CWB officer will attend Scotland's 13th Annual Meet the Buyer national event, which will be held as a live virtual event on 15 June 2022. Local suppliers will be encouraged to attend this event where possible to not only meet with the Ayrshire authorities but to meet colleagues from Scotland Excel. Working in conjunction with the Procurement team, Scotland Excel will be giving guidance on onboarding local suppliers to national frameworks so that further South Ayrshire spend and national spend can be accessed.

4.6 This year, the Council will focus on our work with supported businesses. It is proposed that the Procurement Team along with the Community Wealth Building officer analyse the current spend profile and communicate further opportunities where supported businesses can provide a service to the Council.

4.7 Due to the aforementioned changes in staff in both Procurement and Economy and Regeneration, the series of internal staff engagement events originally proposed in 2021/22 will need to be rescheduled for 2022. The purpose of these events will be to ensure that employees understand how to make use of the Policy Statement and feel committed to contribute to organisational success. The Community Wealth building team along with members of the Procurement team have scheduled a workshop on the Procurement pillar of Community Wealth Building in February 2022. It is proposed to start scheduling engagement events after February 2022 and update staff on the proposals of this paper.

5. Legal and Procurement Implications

5.1 The recommendations in this report are consistent with legal requirements and reflect appropriate advice.

5.2 The recommendations in this report are consistent with procurement requirements and reflect appropriate advice.

6. Financial Implications

- 6.1 There are no direct financial consequences arising from this report, however, Members are asked to be aware that, when procuring contracts with a focus on local suppliers, overall best value will be considered as opposed to price alone. Other benefits and criteria will be taken into consideration. Therefore, there is potential for additional costs for services to meet from existing budgets when procuring locally.

7. Human Resources Implications

- 7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 Rejecting the recommendations will have a negative impact on the achievement of the following strategic objective within the Council Plan 4.4: We will support local businesses to develop and grow.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - The Scottish Government Gateway has been contacted regarding this plan, policy, programme or strategy, and it has been determined that an SEA will not be pursued, and the implications for the environment will not continue to be monitored.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Commitment 4 of the Council Plan: South Ayrshire Works/ Make the most of the local economy.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Brian McGinley, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

Background Papers **Report to Special Leadership Panel of 1 March 2022 – [Local Procurement Policy Statement - Update](#)**

Report to Leadership Panel of 16 March 2021 – [Local Procurement Policy Statement](#)

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Date: 18 March 2022

Local Procurement Policy Statement Action Plan

Statement Objective	Action	Status
Buy Local		
<ul style="list-style-type: none"> We will ensure our teams are appropriately trained on local sourcing regulations 	Scheduling of internal engagement events after February 2022 to update staff on this policy.	In Progress pending approval
<ul style="list-style-type: none"> Where possible, and in accordance with procurement legislation, we will purchase locally 	Updated Route 0 and Route 1 guidance to include local SME's wherever possible.	In Progress pending approval
<ul style="list-style-type: none"> Through early consideration and engagement, contracts of all values will be actively promoted to local businesses. 	Local businesses will be considered by default for Quick Quotes. Early engagement with local suppliers through Community Wealth Building team and Supplier Development Programme will be prioritised for larger value contracts.	In Progress pending approval
Work with local businesses		
<ul style="list-style-type: none"> Working with our local and national bodies such as the Supplier Development Programme, we will provide support to local businesses to ensure they are prepared to bid for public sector contracts 	<p>The promotion of Supplier Development Programme is included in unsuccessful letters to tenderers.</p> <p>Local providers are identified via the contract strategy, Grow Local database and highlighted to the Economy and Regeneration team for potential opportunity</p> <p>Tender opportunities that are published are highlighted to Economy and Regeneration team for promotion to local businesses</p>	<p>Ongoing and include as part of the tender process</p> <p>Ongoing and include as part of the tender process</p> <p>Ongoing and include as part of the tender process</p>
<ul style="list-style-type: none"> We will work with suppliers to make sure they are aware of national opportunities to join Framework Agreements and Dynamic Purchasing Systems 	<p>Introductions will be made to Scotland Excel for local suppliers to apply for national frameworks as and when they are available or how to join if they wish to be part of a Dynamic Purchasing System.</p> <p>Local suppliers will be encouraged to attend this year's national Meet The Buyer event for Scotland with some of the national framework suppliers in attendance.</p>	Ongoing as and when national frameworks are due for renewal
<ul style="list-style-type: none"> We will prioritise support to businesses based in South Ayrshire 	Council spend will be analysed based on 19/20 and 20/21 figures to see where opportunities exist for increasing our spend with South Ayrshire businesses. Opportunities for supplier training and support will be identified through working with the Community Wealth Building officers and communicated with partners through the Community Wealth Building pan Ayrshire group	In Progress
<ul style="list-style-type: none"> We will actively promote www.publiccontractsscotland.gov.uk to our local businesses to ensure they are aware of procurement opportunities 	<p>Promotion of PCS is included in unsuccessful letters to tenderers.</p> <p>Local supplier events jointly hosted with SDP will be focused around supplier registration on www.publiccontractsscotland.gov.uk with</p>	<p>Complete now part of standard tender template.</p> <p>In Progress</p>

Statement Objective	Action	Status
Buy Local		
	specific instructions on what to expect from a South Ayrshire Tender.	
<ul style="list-style-type: none"> We will actively facilitate the involvement of SMEs, third sector bodies and supported businesses in our procurement processes 	<p>At least one South Ayrshire supplier will be invited to quote for any requirements under 50K total value.</p> <p>Local businesses will be encouraged to apply for larger value contracts with the assistance of the Supplier Development Team and Community Wealth Building Team.</p>	<p>In Progress pending approval</p> <p>In Progress</p>
Collaboration		
<ul style="list-style-type: none"> We will share best practice procurement with others and learn from their challenges and successes 	Sharing of best practice and example tender documents is encouraged and there have been various examples of this in 2021 with neighbouring Councils and the NHS.	Ongoing
<ul style="list-style-type: none"> We will be active members of the Community Wealth Building Commission and lead on the Procurement workstream to harness the potential of procurement to support economic growth 	We are actively participating in the Community Wealth Building Commission with our key partners. Discussions are in progress with our neighbouring authorities to determine a new lead for the Procurement workstream	In progress
<ul style="list-style-type: none"> We will manage our contracts effectively and work with others to promote innovation. 	<p>Larger value contracts are subject to the Councils Contract and Supplier Management policy and are monitored using various Key Performance Indicators.</p> <p>Between 1 April 2020 and 31 March 2021, Procurement reviewed 124 of the Council's contracted suppliers and held 11 meetings with 11 suppliers. Review meetings are held when suppliers are marked as underperforming against their contractual obligations (e.g. their evaluation score is less than 75%). These meetings with suppliers to discuss performance issues led to successful, remedial action being taken on the issues affecting contractual deliverables.</p>	Ongoing
Social Value		
<ul style="list-style-type: none"> Where proportionate, we will go beyond current procurement regulations and include a request for suppliers of contracts over £50,000 to endeavour to provide voluntary community benefits in South Ayrshire 	<p>A Community Benefit clause is included in every tender exercise and questions within tender evaluations relating to community benefits are also included with a minimum weighting of 5%</p> <p>Suppliers of contracts under £50,000 are asked as part of their contract to provide voluntary community benefits as part of our Quick Quote process.</p>	Ongoing
<ul style="list-style-type: none"> Through our contracts, we will adopt fair working practices for those engaged in delivering public contracts to help create a fairer and a more equal society 	A Fair Work First clause included in every tender exercise and questions within tender evaluations relating to Fair Work First are also included with a minimum weighting of 5%	Ongoing

Statement Objective	Action	Status
Buy Local		
<ul style="list-style-type: none"> As a Living Wage accredited employer, we will require suppliers to adopt policies which demonstrate how they adopt fair work practices for all workers engaged in delivering the contract. 	A Living Wage clause is included in every tender exercise encouraging businesses to adopt a similar approach	Ongoing
Green Recovery		
<ul style="list-style-type: none"> Before we procure we will consider how the contract can improve the social, environmental and economic wellbeing of South Ayrshire 	<p>A Sustainability clause is included within each tender and tenderers must include a response which is scored within their tender return.</p> <p>A community Benefit Clause is included within each tender and tenders must include a response which is scored within their tender return</p> <p>These questions improve the economic, social or environmental well-being of South Ayrshire.</p>	<p>Ongoing</p> <p>Ongoing</p>
<ul style="list-style-type: none"> We will consider the total cost of ownership as part of our procurement decision making processes 	When purchasing assets, a whole life costing exercise is conducted for running costs maintenance and the various financing options available for TCO including residual value.	Ongoing
<ul style="list-style-type: none"> We will further improve and develop the use of the Sustainable Public Procurement Prioritisation Tool through training opportunities and use of practical guidance to support climate targets, green recovery and the circular economy 	The Council requests that Tenderers detail, within their tender submission, how they will commit to Sustainable Pledges and ensure that, throughout the duration of the contract, sustainable benefits can be delivered through the products and services provided	In Progress
<ul style="list-style-type: none"> We will make the direct link between our contracts and to the achievement of our targets to a low and net zero carbon Council, such as, electric vehicles, circular economy, renewable energy and energy storage 	<p>Sustainability clause included in every tender exercise and sustainability question also included with a minimum weighting of 5%</p> <p>All tenders now request the following return from suppliers in regard to Net Zero:</p> <p>“Are there any efforts within the organisation to meet the Scottish Government’s target of net zero greenhouse gas emissions by 2045, with a 75% reduction by 2030, 90% by 2040”.</p> <p>This action will be monitored and developed in terms of Procurement through work through the Sustainability and Climate Change group.</p>	Ongoing
<ul style="list-style-type: none"> Where ethically traded goods or services are available, the Council will work with relevant stakeholders and take a Best Value approach when promoting Fairtrade products and applying fair and 	In response to the Scottish Government's 2021 issue of new policy notes on sustainable procurement and fair work practices in February and March (SPPN 01 & 03 - 2021), the Procurement Service arranged several internal workshops, as well as meetings with Sustainable Development colleagues, to develop proposals for updating current and	In Progress

Statement Objective	Action	Status
<p>Buy Local</p> <p>ethically trading principles in procurement activities.</p>	<p>relevant procurement processes and document templates.</p> <p>All SAC tendered procurements do currently include robust, standard contract clauses and award criteria on a bidder's approach to Sustainability and Fair Working Practices.</p> <p>Spend on Fair trade products can be reported on through Scotland Excel for the frameworks that SAC participate in.</p> <p>In 2020/21 SAC spent over £3000 on products identified as fair trade/ethically sourced through our supplier Brake Bros who are part of the Scotland Excel Framework.</p>	

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: [Equality Impact Assessment including Fairer Scotland Duty](#)

Further guidance is available here: [Assessing impact and the Public Sector Equality Duty: a guide for public authorities \(Scotland\)](#)

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

1. Policy details

Policy Title	Local Procurement Policy Statement – Update 2022
Lead Officer (Name/Position/Email)	David Alexander, Service Lead – Procurement – david.alexander3@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	n/a	n/a
Disability	n/a	n/a
Gender Reassignment (Trans/Transgender Identity)	n/a	n/a
Marriage or Civil Partnership	n/a	n/a
Pregnancy and Maternity	n/a	n/a
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	n/a	n/a
Religion or Belief (including lack of belief)	n/a	n/a
Sex – gender identity (issues specific to women & men or girls & boys)	n/a	n/a
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	n/a	n/a
Thematic Groups: Health, Human Rights & Children's Rights	n/a	n/a

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage? (Fairer Scotland Duty). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low impact
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low impact
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low impact
Increase participation of particular communities or groups in public life	Low impact
Improve the health and wellbeing of particular communities or groups	Low impact
Promote the human rights of particular communities or groups	Low impact
Tackle deprivation faced by particular communities or groups	Low impact

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Rationale for decision: The report does not propose any changes to policy and will have low equality impact	
Signed : David Alexander	Service Lead
Date: 11 February 2022	