

Finance & Resources Committee

10.00am, Thursday, 15 August 2019

Commercial and Procurement Annual Report - 2019

Executive
Wards - All
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Committee notes the contents of this report and approves the Commercial and Procurement Annual Report 2019 for publication.

Stephen S. Moir

Executive Director of Resources

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Commercial and Procurement Annual Report 2019

2. Executive Summary

- 2.1 The Commercial and Procurement Strategy 2016-2020 was approved by Committee on 1 December 2016. The Commercial and Procurement Annual Report provides the Committee with an update on the activity and outcomes that have been delivered through the Strategy from 1 April 2018 to 31 March 2019.
- 2.2 This report also discharges the Council's duties in terms of the Procurement Reform (Scotland) Act 2014, to prepare an annual report on its regulated procurement activities.

3. Background

- 3.1 The Council is obliged, under Section 18 of the Procurement Reform (Scotland) Act 2014, to prepare an annual report on its regulated procurement activities as soon as reasonably practicable after the end of each financial year.
- 3.2 The monitoring and reporting requirements for this annual report follow the guidance provided by the Scottish Government, which since last year has been enhanced to capture more data which will support its overarching report on public procurement activity across Scotland.
- 3.3 In terms of this guidance, the Council's annual report must, as a minimum, include:
- A summary of regulated procurements completed during the reporting period;
 - A review of whether those procurements complied with the Council's Procurement Strategy;
 - To the extent that any of those procurements did not comply, a statement on how the Council intends to ensure that future regulated procurements do comply;
 - A summary of community benefits fulfilled during the reporting period;
 - A summary of steps taken to facilitate involvement of supported businesses; and
 - A summary of regulated procurements the Council expects to commence in the next two financial years.
- 3.4 The report must be published and available on the internet and details of the publication of the report must be provided to the Scottish Government.
- 3.5 This is the second such report on the Council's Commercial and Procurement Strategy.

4. Main report

- 4.1 The activity included in the Commercial and Procurement Annual Report is, further to the Council's statutory reporting obligations, focussed on the 207 regulated contracts concluded by the Council in the year to 31 March 2019. These contracts had an aggregate estimated value of approximately £261m. By "regulated" the report means those contracts with a value of greater than £50,000 for goods and services and greater than £2m for works, in accordance with the terminology and thresholds as set by the relevant Scottish procurement regulations. There were over 200 other contracts awarded in this reporting period which were below the above thresholds, and so are not the subject of the same level of detail in this report.
- 4.2 The award of all contracts, whether above or below these thresholds, are subject to the Council's standard procurement processes, including the application of the Council's Contract Standing Orders. In terms of the Contract Standing Orders the award of certain contracts must be approved by the Finance and Resources Committee, depending upon value. However, to ensure regular monitoring of all contracts there is 6 monthly reporting to the Committee on all contracts awarded.
- 4.3 The Council's spend with third party suppliers in 2018/19 was approximately £634.8m. A breakdown of this by supplier sectors is included in the report. It is to be noted that Small and Medium Enterprise (SME) spend is 47% of total core spend, being suppliers the Council has spent more than £1,000 with. This level of SME spend is likely linked to the Council's higher spend on major construction projects, where sometimes only larger national companies will be able to bid, albeit the Council would still look to assist local SMEs securing suitable places elsewhere on the supply chain. The Local Government Benchmarking Framework figures for 2017/18 recorded the Council in 6th place out of all 32 authorities for local SME spend, and it is to be anticipated that the Council will be in a similar position when the figures for 2018/19 are released. In addition, 70% of suppliers awarded contracts in 2018/19 state they pay the real living wage.
- 4.4 The report addresses the Council's statutory duties and its compliance with the objectives contained in the Commercial and Procurement Strategy. Most of the objectives in the Strategy are assessed as having been met, with only a small number not yet met fully, and where further specific actions will be undertaken, in addition to the wider ongoing improvement activity within Commercial and Procurement Services. Some specific achievements of the Council's Commercial and Procurement Services, which have further secured these are objectives, are referred to below, at paragraph 4.7.
- 4.5 It is to be noted that later in 2019 work will commence on the preparation of a new Strategy, which will be submitted to the Committee in Spring 2020 for approval.
- 4.6 Community benefits are identified on a project by project basis, and are embedded in the Council's processes and procedures. Key delivery achievements in 2018/19 include 50 new jobs and 132 apprenticeships, and over £133,000 being awarded to local business and community groups. The relevant Scottish procurement regulations place specific requirements on the Council, for major contracts which have an estimated value above £4m, to consider whether to impose community benefit obligations. All 9 contracts the Council awarded above that threshold in 2018/19 included community benefit requirements.

In addition, there were an additional 45 contracts in this period where the Council included community benefits obligations, an increase from 23 in the previous financial year. Community benefits delivered in the reporting period range from apprenticeships, training, work experience and recruitment, to mentoring and community engagement. The delivery and reporting of community benefits is expected to improve moving forward, with the introduction of a new software programme, that will make the monitoring simpler and enable all relevant data to be centrally stored. The Council is also working with City Region Deal partners to adopt a uniform approach to community benefits on all City Region Deal projects too, and to utilise the same software programme.

- 4.7 The Council's Commercial and Procurement Services support all procurement activity across the Council, and lead on securing compliance with the Strategy. It is worth highlighting some of the teams more notable achievements in 2018/19, which include:
- 4.7.1 An increase in the Council's Procurement and Commercial Improvement Programme (PCIP) score to 87%, against a local authority average of 70%, this having been independently assessed by Scotland Excel on behalf of the Scottish Government;
 - 4.7.2 The work of the Council's Contract and Grant Management Team now being further embedded, with a Council wide contract management framework in place, online training launched, and regular contract managers/grant managers forums being held, alongside specific operational work and support to divisions/directorates, this is an area that will be promoted further across the Council in 2019/20;
 - 4.7.3 New Grant Standing Orders being submitted and approved by Council in December 2018, and the Contract Standing Orders themselves being subject to ongoing annual review, all of which helps support the Council's overall governance around such spend, and the securing of Best Value;
 - 4.7.4 A refreshed learning and development programme being rolled out for Commercial and Procurement Services staff, which has resulted in 91% of specialist procurement staff now holding or working towards Chartered Institute of Procurement and Supply (CIPS) professional qualifications;
 - 4.7.5 Additional external assessment having been undertaken by CIPFA to benchmark the procurement team against a wider selection from the UK public sector in December 2018, against the previous financial year. The outcomes noted that the total net cost of the central team as a percentage of the net revenue budget was 0.24% (the average from those assessed was 0.25%) the return on investment, however, was 17.86:1 compared to the average 3.03:1. Client satisfaction levels were 81% (average 80%). The team reassessed Customer Satisfaction in March 2019 and achieved +90.6% being very/satisfied; and,
 - 4.7.6 Commercial procurement savings of £38.5m were tracked and delivered in year, and new forecast savings of over £12m have been identified from contracts awarded in the period to be tracked over future years, this being in addition to the £150m secured from 2013/14 through to 2018/19.
- 4.8 New Council initiatives impacting upon procurement activity in the last year have included the introduction of Charters in respect of Construction and Modern Slavery. More generally, the Council's procurement activity provides support to the adoption and promotion of a number of policy and other strategic initiatives the Council is taking forward,

subject to the relevant Scottish procurement regulations and certain limitations they impose. Other such initiatives include the Council's Fair Trade Policy and the increased focus on environmental sustainability. However, the commitments pledged in the Construction and Modern Slavery Charters resulted in specific actions where it was agreed that an update would be reported back to Committee.

- 4.9 In respect of the Construction Charter, these commitments were adopted in August 2018 at the Finance and Resources Committee, a link to this report being included in Section 8, and an update in respect of actions that have been taken is the subject of a separate report on the agenda.
- 4.10 The Charter Against Modern Slavery was formally adopted and Council commitments approved by the Corporate Policy and Strategy Committee in October 2018, a link to this report again being included in Section 8. Following its introduction, a series of actions have been undertaken by the Commercial and Procurement Services as follows: -
- 4.10.1 Staff Training – the whole of Commercial and Procurement Services received awareness training on Human Trafficking and Modern Slavery obligations; Police Scotland also delivered training on high risk contracts and recent criminal cases; those staff registered with CIPS undertook sustainable procurement online learning and Essential Learning requirements were reviewed and updated for the whole team;
- 4.10.2 Charter Champion - A staff member with a particular interest has been appointed as the Modern Slavery Charter Champion, to lead on this work for Commercial and Procurement Services;
- 4.10.3 Supplier Page - the page on the Council's external website for supplier information has been updated with a link to the Council Commitments Against Modern Slavery;
- 4.10.4 Documents - the team's Police Scotland protocol checks have been reviewed and updated to reflect current requirements, Fair Work criteria has also been reviewed in line with new Government guidelines;
- 4.10.5 Informed by this increased knowledge and awareness, but recognising this is something that requires ongoing monitoring, since the Charter was adopted there have been no concerns over the potential involvement of modern slavery in the Council's supply chain.
- 4.11 The Commercial Excellence programme concluded at the end March 2018. The commercial skills and knowledge gained continue to support the Commercial and Procurement Strategy. Time did not enable a final overview of the programme to be included with the Annual Report in 2018, however Appendix 3 of this report now does so.

5. Next Steps

- 5.1 The current Strategy is due to end in March 2020. Monitoring of the delivery will continue and will be reported in August 2020. Alongside this activity the Council will consult on the next Strategy which will be brought forward to the Committee in Spring 2020 for adoption.

6. Financial impact

6.1 No additional costs to the Council are associated with this report.

7. Stakeholder/Community Impact

7.1 No consultation on the delivery of the Commercial and Procurement Strategy had been undertaken to produce the report. Engagement will, however, take place to commence the review of the current Strategy and preparation of the new one in 2020.

7.2 Compliance with the Procurement Reform (Scotland) Act 2014 will be met through providing an update on delivery of the Strategy and publication of the annual report.

7.3 There is no direct sustainability impact from the report, however it does provide and update on sustainable procurement practices.

8. Background reading/external references

8.1 [Item 7.4 Commercial and Procurement Strategy – Reports, 810.97 KB.](#)

8.2 [Item 7.14 - Commercial and Procurement Annual Report 2018 – Reports, 1.62 MB](#)

8.3 [Item 7.15 - Construction Charter – Reports, 419.63 KB](#)

8.4 [Item 8.2 - Charter Against Modern Slavery – Reports, 502.05 KB](#)

9. Appendices

Appendix 1 – Commercial and Procurement Strategy Annual Report 2018/19

Appendix 2 – Scottish Government Annual Procurement Report Annex A

Appendix 3 – Commercial Excellence Programme Summary

Commercial and Procurement Strategy Annual Report

Year Ended 31 March 2019



Commercial and Procurement Strategy – Annual Report

Year ended 31 March 2019

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Context

- 1.1 The Commercial and Procurement Strategy published in December 2016 included the commitment to provide an Annual Report on procurement outcomes achieved following the end of each Financial Year (FY).
- 1.2 The strategy sets out a framework designed to enable the Council to continue its journey of change and innovation through:
- Focusing procurement activity on delivering improvements for the people and communities of Edinburgh;
 - Building capacity and skills within the Council to improve commissioning and procurement activity;
 - Increasing the level of collaboration internally and externally;
 - Engaging proactively with providers to ensure maximum value and innovation;
 - Working cooperatively to support the local economy; and
 - Promoting sustainability and fair working practices through procurement.
- 1.3 The Council's public reporting obligations under the Procurement Reform (Scotland) Act 2014, are included in this report (incorporating the period 1 April 2018 to 31 March 2019), detailing the scope of regulated procurement activity in accordance with the strategy, set out as follows:
- A summary of regulated procurements completed during the reporting period;
 - A review of compliance with the Council's Commercial and Procurement Strategy;
 - A statement on how compliance will be achieved, monitored and reported for any regulated procurements that did not comply with the Council's Commercial and Procurement Strategy;
 - Community benefits fulfilled during the reporting period;
 - Steps taken to facilitate involvement of supported businesses; and
 - Future expected regulated procurements in the next two financial years.
- 1.4 Major procurements concluded in the year have included the Energy Efficient Street Lighting Replacement Programme, Meadowbank Sports Centre, the Transport and Infrastructure Framework and Shared House Accommodation and Outreach Services to support Homelessness. The Edinburgh York Place to Newhaven tram extension is also a notable major project that was the subject of a procurement exercise in the reporting period, although since the formal contract award did not take place until after 31 March 2019 it is excluded from contracts awarded data.
- 1.5 The diversity of the services, goods and works procured by the Council requires strong commercial and procurement knowledge and skills, as well as professional support to service areas through clear controls and guidance. In support of this a key area of focus in the last year included improvements to the contract management processes and practices through a new standard suite of guidance

documents and shared good practice with other public-sector organisations, this being supported by the launch of a new online learning tool. Regular contract management forums have also been introduced, and the Council is also piloting a new electronic contract management tool. The work that has been conducted around this was one of the factors that resulted in an improved score for the Council in its Procurement and Commercial Improvement (PCIP) assessment, an external assessment conducted on all local authorities by Scotland Excel on behalf of the Scottish Government.

1.6 Another area of focus was to improve the monitoring and reporting of community benefits which have been delivered. This included the launch of a new electronic tool 'Cenefits' which was developed through the Scottish Enterprise Open Innovation Programme. The programme is designed to take 'problems' to the supply market and ask for a solution, instead of a traditional pre-designed specification approach. We received over 50 notes of interest, with a small local Edinburgh company, Wildcat Applications being awarded the contract. The supplier will benefit from marketing the solution to other authorities.

1.7 Initial contract entries on to the Cenefits programme started at the end of 2018 and has focused on uploading data from new contracts. In this next year we will work with existing contractors to capture benefits delivered on legacy contracts. It is anticipated that this will enable the Council to more accurately track the delivery of community benefits.

1.8 The Council made commitments to several new charters in the last year which are of relevance to the work of Commercial and Procurement Services. These include the Charter Against Modern Slavery, the Charter for a Tobacco-free Generation (both approved at Corporate Policy and Strategy Committee on 2 October 2018) and the Construction Charter (approved by Finance & Resources Committee on 7 August 2018). These charters include delivery actions on Council procurements, resulting in the following actions: -

- Upskilling of staff through training and awareness;
- Amendments to procedural documentation;
- Increased due diligence checks;
- Supplier awareness, including updates to the external Council web pages; and
- Changes to contract handover and implementation procedures.

1.9 Commercial and Procurement Services have identified lead officers to act as Charter Champions to help promote and deliver on the commitments the Council has made in respect of these charters.

1.10 The key areas of focus in the next year include:

- Review of the Commercial and Procurement Strategy – a review of the current strategy which expires in March 2020, with an updated strategy to be brought forward to Finance and Resources Committee for adoption at that time;
- Supporting the delivery of Efficiencies and Best Value – working with services and external partners and key stakeholders to identify and deliver efficiencies and Best Value in the provision of services, aligned to the Council’s strategic objectives;
- Sustainable Procurement – greater focus on positive social and economic outcomes delivered through the Council’s procurement processes, including through community benefits, and working alongside our City Region Deal partners;
- Collaborations – looking for further ways to improve efficiencies and innovation by working more closely with external partners and key stakeholders;
- Increase in Small to Medium Enterprise (SME) Engagement – working with the Supplier Development Programme and economic development colleagues, to improve engagement and outcomes for SME suppliers, including building on the success of our recent ‘Meet the Real Buyer’ event held at Waverley Court and attended by over 100 suppliers;
- Improved Processes and Procedures – reviewing our processes and procedures, to ensure they are efficient and lean, and maximise our ability to make most effective use of the data we have captured, and in turn highlight and prioritise areas for improvement, as well as the reporting of good outcomes;
- Increase Expertise, Capacity and Effectiveness - further developing our staff and their knowledge, skills and expertise of public sector procurement, contract management and the Council’s procedures and governance arrangements in respect of these, including through training and ongoing development;
- Contract Management - further develop and embed the contract management framework across the Council to bring this key objective to a fully compliant stage.

Regulated Procurements Completed

2.1 Regulated procurements cover contracts with a value of £50,000 for goods/services and £2 million for works, which commenced on or after 18 April 2016. Section 18(2) 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”. Completed contracts are those where the award notice has been published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

2.2 The Council maintains and publishes on its external website a record of contracts awarded. This ‘Contract Register’ provides information on current contracts and is updated on a regular basis to remove expired contracts and include new awards as appropriate. The register can be accessed on the Council’s website [here](#).

2.3 In addition to maintaining a public register, the Council reports to the Finance and Resources Committee on new contracts with a value above £1m as a minimum, or where such reporting is otherwise required. To ensure regular monitoring of all contracts a further six-monthly report on contracts awarded through competitive and non-competitive actions is reported to the Finance and Resources Committee; all public reports to the Committee are available on the Council’s website.

2.4 The summary of regulated procurements completed in the relevant period is provided as [Annex 1](#). These include procurements for goods, services and works, the total volumes and values are in Table 1. The regulated contracts include new projects, re-lets of recurring contracts and new contract extensions awarded in the period.

Table 1

Contract Type	Volume of New Contracts Awarded	Total Estimated Value of Contracts
Goods	25	£16,134,092
Services	179	£130,984,002
Works	3	£114,513,740
Total	207	£261,631,834

2.5 There were over 200 additional contracts awarded in the period which are below the regulated threshold and not the subject of this report. These contracts are, however, included in the Contract Register along with other lower value contracts awarded by the Council.

2.6 Collaboration opportunities with other public bodies can ensure greater efficiencies, where appropriate, and are included in the regulated and non-regulated contracts awarded. The key collaboration is with centres of expertise such as Scotland Excel and Scottish and UK Governments. Examples of this include: -

- Engagement with Fife Council, Scottish Parliament, West, East and Midlothian Councils as well as Scottish Borders on the Learning and Development Framework Agreement. Using the ‘light touch’ approach, the Framework has re-opened on a quarterly basis to allow new entrants and maximise opportunities for choice of provision;
- The Council procured Eco Stars Fleet Recognition system on behalf of all Scottish local authorities and new Business Gateway workshops for Edinburgh, East, West and Midlothian Councils;

- Scotland Excel – the Council has utilised 46 of the 65 framework agreements that it can participate in through our membership of Scotland Excel. New Frameworks adopted in the last year include Fresh and Cooked Meats and Fish, Winter Maintenance, Washroom Solutions, Swimming Pool Chemicals, Social Care Agency Staff, Children’s Residential Care and Hire of Vehicles and Plant;
 - NHS, Crown Commercial Services, ESPO, YPO, Halton Housing, HUBCo, and SCAPE frameworks have also been utilised to support Council procurements during the period including Digital Services and iCloud software, Electric Vehicle Charging Points, Aids for Daily Living, Heavy Catering Equipment and various construction projects.
- 2.7 Where appropriate the Council has used alternative sourcing opportunities to ensure the requirement for the Council to secure Best Value has been met. These included projects where there were economic or technical issues that may have detrimentally impacted on service delivery if a new tender was sought e.g. using existing suppliers to maintain equipment originally provided by that specific supplier rather than seeking to replace equipment.
- 2.8 Health and Social Care services included the direct award of contracts in accordance with the statutory guidance for care and support, ensuring the needs of individuals were paramount and secured the quality outcomes desired.
- 2.9 These instances described above are deemed to fall under the term ‘non-competitive action’, i.e. an award without a competitive procurement process. In line with the Council’s Contract Standing Orders (CSOs), there is provision to waive the standard process where it is in the Council’s best interest, having regard to various factors including (i) the obligation to secure Best Value, (ii) legal compliance and any potential risk of successful legal challenge, (iii) the principles of transparency, equal treatment, non-discrimination and proportionality and (iv) impact upon service users. A record of such instances (termed ‘waivers’ in the CSOs) is maintained and reported to the Finance and Resource Committee on a bi-annual basis.
- 2.10 In summary, non-competitive actions comprise approximately 4% of the regulated contracts awarded during the period of the report with 1% falling within care and support services.
- 2.11 The light touch tender approach for social and other specific services has continued with co-production on key care services. Examples in the reporting period include Homelessness Services, Domestic Abuse Services, Services for Syrian Refugees. The work with individuals using the services and the providers delivering the services has supported improvements to delivery models and the outcomes offered.
- 2.12 New projects using the, now tested, dynamic purchasing type approach are being undertaken using lessons learned from the Pupil Equity Funding and Learning and Development projects implemented in the previous reporting period.

Review of Procurement Compliance with Strategy

3.1 Despite being in place since 2016, the objectives in the Council’s Commercial and Procurement Strategy are aligned with the Council’s current strategic outcomes, and also incorporate the general duties of the Act in seeking to:

- Deliver Savings and Best Value;
- Improve Processes and Policies; and
- Increase Expertise, Capacity and Effectiveness.

3.2 The steps being taken to achieve these objectives and progress made in the reporting period are detailed at [Annex 2](#) along with an assessment of the level of compliance which has been achieved.

3.3 The savings that have been monitored and delivered through commercial and procurement activities have continued with over £38m in tracked outcomes in the last year. New projects tendered in the reporting period identified future commercial savings opportunities of £12m in addition to those being tracked in the new financial year.

3.4 Improving process and policy through the year has included work with the intelligent automation project to improve management information on purchase card usage and this is now included in the management information which is reported monthly to Directorates to provide a full insight on third party spend.

3.5 New data collection on Living Wage and zero hours contracts was introduced to capture these key Fair Work indicators from our supply chains in a more transparent way. The findings are summarised in the table below. The Council awarded over 51 ‘call-off’ contract awards in the year in relation to Frameworks, over 30 were not subject to statutory procurement requirements, therefore data is not held. Despite this, 70% of suppliers awarded contracts state they pay a real living wage rate. Living Wage Foundation Accreditation rates are low at 13%, but the Council will continue to encourage suppliers to consider Living wage accreditation, albeit legally this cannot be mandated by the Council.

Table 2

Contracts Concluded with ‘unique’ suppliers*	Suppliers Committed to paying Living Wage	Accredited Living Wage employers
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160	112	20
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*counts a supplier once

- 3.6 We will build on data processing in 2019/20 to further break down the detail on the types of contracts being awarded e.g. collaboration with central purchasing bodies or national bodies identifying the savings attributed to these arrangements alongside the local contracts and local collaborations.
- 3.7 The Procurement and Commercial Improvement Programme (PCIP) assessment, externally carried out by Scotland Excel on behalf of the Scottish Government, in March 2019 rated the Council's procurement performance, policies and procedures at an overall score of 87%, improving on some elements and maintaining on other elements of the Council's performance within the highest banding and above the local authority average of 70%. The main improvements came from the work to deliver better outcomes in contract management, delivering new process and procedures, training and regular forums alongside collaborative work with other public bodies to share best practice and enhanced staff capability.
- 3.8 Procurement capacity building has improved through training with 91% of the specialist team now holding or working towards professional qualifications with the Chartered Institute of Procurement and Supply (CIPS). This improvement in skills and learning also supported the higher PCIP score above.

Community Benefits Summary

- 4.1 Within its processes and procedures, the Council has embedded the requirement for community benefits to be considered and where appropriate sought and delivered for each procurement.
- 4.2 The Procurement Reform (Scotland) Act 2014 places specific requirements in major contracts with an estimated value of £4m and above, for the Council to consider whether to impose the requirement as part of the procurement and include details in the contract notice summarising what it will include. Of the 9 Council contracts that were above that £4m threshold all 9 were awarded with community benefit requirements imposed.
- 4.3 Community benefits delivered in the reporting period range from apprenticeships, training, work experience and recruitment, to mentoring and community engagement. The delivery and reporting of the community benefits is moving on to a new software programme 'Cenefits'. The overall volume of contracts where community benefits are sought over and above those 9 above has increased from 23 last year to 45 (+96%). There were over 50 'call-off' contracts awarded whereby the community benefit requirement, where appropriate would be covered at the Framework award stage. There were also a number of awards made for 'light touch' contracts or contract extensions where the nature of

the requirement led to additional benefits not being considered appropriate. We continue to seek community benefits and impose the requirement when appropriate.

4.4 The community benefits fulfilled in the last year have provided 50 jobs and 132 apprenticeships and 57 work placement opportunities for priority groups. These opportunities have come from construction projects for rising school rolls, school upgrades, care homes, childcare services, housing and waste contracts. In addition to these key outcomes, the contractors are also supporting a number of 'other' benefits to our communities and examples of this include: -

- Education events e.g. STEM (science, technology, engineering and maths), school and university careers events, curriculum support, site visits, CSCS training
- Business mentoring support for 3rd sector and micro businesses
- Funding support – grant investments, public realm art funds, school funds, digital skills, family centres, parks, playgroups and youth groups over £113k either directly or via One-City Trust
- Volunteering – support to environment projects, fundraising, sleep in the park
- Community engagement – tidy up campaigns, graffiti removal, material for community garden

Supported Businesses

5.1 The Council recognises the important role of businesses that support social and professional integration of disabled or disadvantaged persons (termed 'Supported Businesses'), and has continued to reserve contracts where appropriate to ensure the stepping stone into mainstream employment for disabled or disadvantaged persons provided by these businesses continues. The procurement activity with Supported Business has expanded to more organisations, 9 compared to 5 in 2017/18 and resulted in spend of £236,505 in 2018/19.

5.2 The Council continues to call-off from the Scottish Government Framework for Supported Factories and Businesses and local supported business such as the Grassmarket Community Project, a social enterprise providing bespoke furniture.

5.3 Total actual spend with Supported Businesses in the reporting period is shown in Table 3.

Table 3

North Lanarkshire Industries	£94,841
Dovetail Enterprises	£4,875
EESL Ltd	£932
Matrix Fife	£64,510
St Judes Laundry	£18,571

Grassmarket Community Project	£50,350
Delivered next day personally	£275
Haven Sign Factory	£564
The Lady Haigs Poppy Factory	£1,587
	£236,505

Future Regulated Procurements

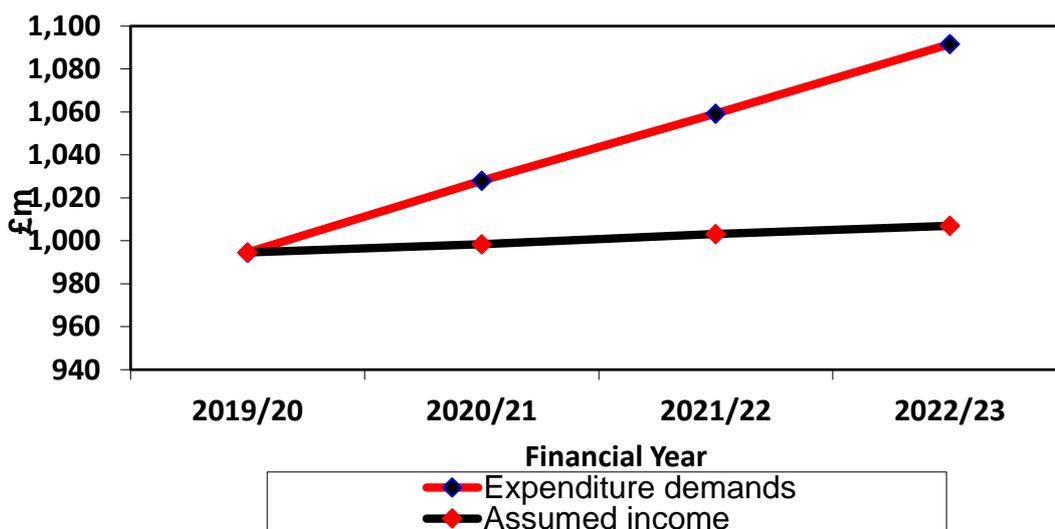
6.1 Over the next two years the Council will have a mix of recurring requirements and one-off projects to take to the market. Major projects include redevelopments such as Fountainbridge/India Quay, Meadowbank, Western Villages housing and other construction projects, and replacement contracts for Care at Home, Asset and Facilities Management, Housing Support and Active Travel.

6.2 A summary of regulated procurements anticipated in the next two years is provided in [Annex 3](#).

Finance

Financial Outlook

7.1 As in previous years, the Council continues to face significant financial challenges resulting from a combination of increases in service demand, inflationary pressures, legislative reform and heightened citizen expectations. These factors are set against a backdrop of reducing core Government grant income once account is taken of monies provided for the delivery of new, or expanded, commitments. The chart below shows the gap between projected expenditure demands and available funding. This gap would, other things being equal, increase if levels of Government funding were lower than anticipated or required demographic provision higher than currently provided for.



7.2 Based on these assumptions, it is anticipated that in order to maintain expenditure in line with income, the Council will need to identify and deliver at least £84m of recurring annual savings between 2020/21 and 2022/23. More immediately, the approved budget for 2019/20 is predicated on the delivery of some £39m of savings, as well as management of all service pressures and delivery of a

balanced budget by the EIJB. A progress update considered by the Finance and Resources Committee on 23 May 2019 highlighted a need for urgent actions to reduce the risk of significant in-year overspend. It is likely that identification of these mitigating actions will need to go beyond incremental efficiencies and consider more fundamental prioritisation of existing services if financial sustainability is to be maintained.

Council savings

7.3 Commercial savings targets which include efficiency savings, value for money and non-cash savings continue to be achieved by the Council. In 2018/19 the delivered savings through existing and new commercial projects achieved £ 38.5m against a forecast of £38.7m. This was in addition to the £150m of savings achieved through procurement activity between 2013/14 and 2017/18.

Council expenditure with third parties

7.4 In the period of the report the Council expenditure with third parties in 2018/19 was:

➤ £634,836,888

7.5 The third party spend has increased by 18% compared to last year (£539,998,897 in 2017/18), this is reflected in the category summary below, based on the Council's top 20 suppliers (by value of spend), where construction spend has increased from £63m in 2017/18 to £81.7m in 2018/19. This has been driven by property refurbishment projects in the main e.g. the upgrade of schools and other operational Council buildings, as well Council homes and procured through existing Council Framework Agreements.

7.6 The total volume of suppliers has changed only slightly with 10 fewer than last year and the local supply base has increased by 4% with data sitting at 42% of the total supplier spend (excludes spend through purchase card). The SME spend is 47% of total core spend of £603,020,367 (core spend equals suppliers we have spent over £1k with), the percentage is influenced by high spend levels with construction projects where for those larger projects it is more likely only larger national contractors will be able to bid, albeit the Council would still seek to ensure suitable opportunities for local SMEs elsewhere in the supply chain. In the recent Local Government benchmarking report for 2017/18 the Council procurement spend with SMEs was ranked 6th in Scotland.

7.7 The supplier spend categories cover around 30 different description types (e.g. construction, professional services and so on) a summary of category spend with our top 20 Suppliers is presented below in Figure 1 and remains largely unchanged from last year Figure 2.

Figure 1 2018-19

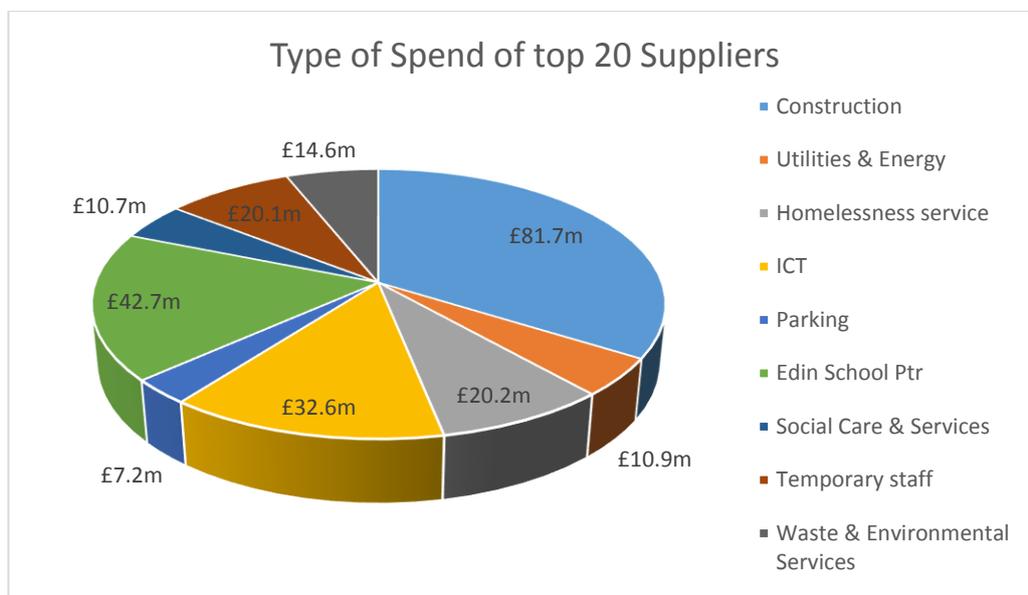
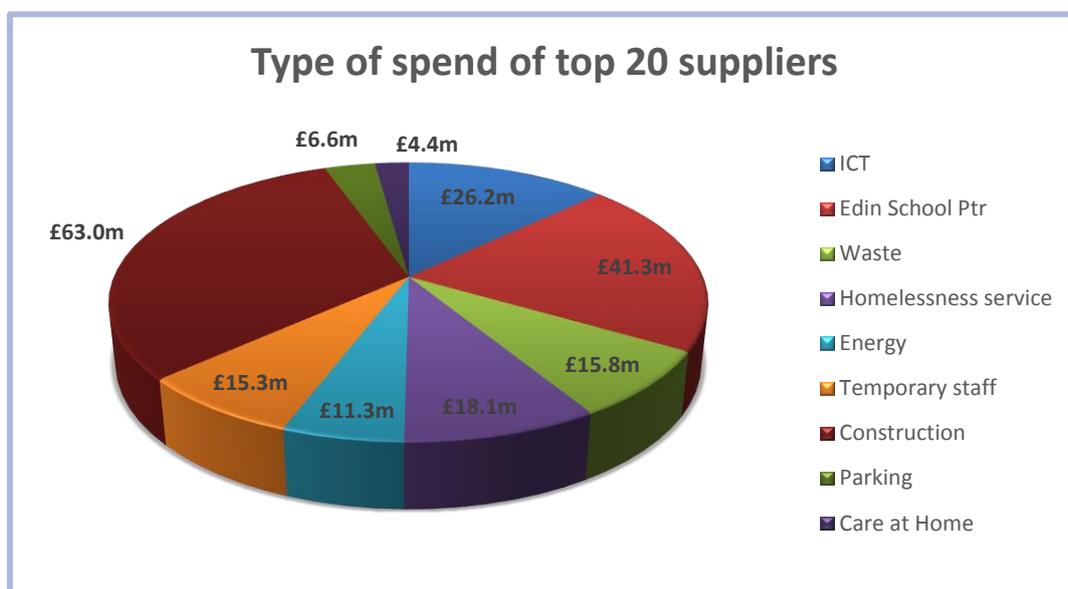


Figure 2 2017-18



Annex 1 – Regulated Procurements

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
GOODS CONTRACTS AWARDED - 25					
27/03/2018	Matic Media Services Ltd (GB) / GMP Print Solutions Ltd (GB) / Hobs Reprographics PLC (GB)	Large Format Printing and Exhibition Materials Framework	£400,000	01/04/2018	31/03/2020
27/04/2018	Lothian Shopmobility	Supply of wheelchairs	£78,207	01/05/2018	31/08/2018
03/05/2018	Nottingham Rehab Limited	Call off – YPO, Supply of Social Care equipment	£94,334	01/05/2018	31/01/2020
14/05/2018	Woodall Nicholson Limited/Mellor Coachcraft (GB)	Call-off sxl, Supply of 12 Welfare/Accessible Buses	£1,033,500	21/05/2018	20/05/2023
15/05/2018	Coffee Conscience Ltd	Coffee and tea supplies equipment, servicing	£127,458	01/06/2018	31/05/2020
01/06/2018	Sharp Business Systems UK PLC	Call off – SXL, Education & Office Furniture	£60,993	01/06/2018	02/06/2018
05/06/2018	Metcraft Lighting Limited	Framework Supply of Heritage Street Lighting Lot 1	£138,226	01/07/2018	30/06/2022

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
20/06/2018	Enevo UK Limited	Supply and Install of Litter Bin Sensors	£54,000	02/07/2018	01/07/2020
22/06/2018	Metcraft Lighting Limited	Edinburgh Heritage Street Lighting Framework – Lot 2	£154,169	01/07/2018	30/06/2022
26/06/2018	Azzurro Limited	Call-off- SXL, Furniture Provision Bankhead depot	£65,824	28/06/2018	30/06/2018
26/06/2018	CF Services Ltd	Call-off - SXL, Supply, installation and disposal of furnishings and furniture	£3,000,000	01/07/2018	28/02/2020
29/06/2018	Campbells Brothers Ltd, Campbells Prim Meat Ltd	Call Off – sxl, Supply of Fresh meats and fresh fish.	£2,640,000	01/10/2018	30/09/2021
01/07/2018	Community Products UK Ltd	Call off - sxl, Lot 6 - Pre-5 Furniture	£52,104	01/07/2018	02/07/2018
04/07/2018	Jewson Ltd (GB) / Colorado Construction & Engineering Ltd (GB)	Supply of natural stone paving products	£757,864	09/07/2018	08/07/2020
10/08/2018	Urbis Schreder Ltd	Edinburgh Conservation Lantern	£677,725	20/08/2018	19/08/2022
18/09/2018	Shimadzu UK Ltd	Laboratory equipment	£102,819	10/09/2018	09/09/2023
27/09/2018	Dawson Plant Hire	Hire of JCBs	£55,000	27/09/2018	31/10/2018
16/10/2018	Swarco UK Ltd	Call off – ESPO Supply and Install of Electric Vehicle Infrastructure	£63,883	29/10/2018	31/12/2018
20/11/2018	PJs Foods Ltd	Call off- NHS, Prepared Sandwiches	£329,139	01/12/2018	30/11/2022
23/11/2018	Metcraft Lighting Limited Zeta Specialist Lighting Limited	Framework Supply of Heritage Lanterns – Lots 3, 4,5, 6	£911,035	29/11/2018	28/11/2022
20/12/2018	Antalis Limited	Call off – NW Specialist paper	£280,000	03/01/2019	31/12/2020
21/01/2019	Cyclehoop Ltd	Cycle lockers and management services	£576,000	28/01/2019	27/01/2024
05/03/2019	Rentokil Initial Services Ltd	Call-off – SXL, Washroom solutions & products	£950,000	01/04/2019	31/03/2022
14/03/2019	Trustmarque Solutions Ltd	Call off – CCS Microsoft Licences 2019 - 2022	£3,456,812	01/04/2019	31/03/2022
22/03/2019	A & R Martin Limited	Production Equipment for Cultural Venues	£75,000	01/03/2019	30/04/2020
SERVICES CONTRACTS AWARDED - 179					
01/04/2018	Penumbra	Supported Accommodation	£122,212	01/04/2018	31/03/2020
01/04/2018	Link Living Ltd	Young Peoples Visiting Support Service	£2,343,440	01/04/2018	31/03/2021
01/04/2018	Simon Community Scotland/Streetworks	Street Outreach, Support Hub and Complex Needs Visiting Support Service	£7,167,400	01/04/2018	31/03/2021
01/04/2018	Bield Housing Association Ltd	Housing support for Older People	£100,823	01/04/2018	01/04/2019
01/04/2018	Cairn Housing Association Ltd	Housing support for Older People	£53,707	01/04/2018	31/03/2019
01/04/2018	Childrens Hospice Association Scotland	Respite Care	£179,520	01/04/2018	31/03/2021
01/04/2018	Ernst and Young LLP	Sustainable Community support – Care service	£150,856	01/04/2018	31/05/2018
01/04/2018	Jontek Ltd	Maintenance of alarm receiving centre	£91,000	01/04/2018	31/03/2019
01/04/2018	Mansfield Care	Housing support for Older People	£75,305	01/04/2018	31/03/2019
01/04/2018	Northcare Manor	Care Home services	£3,516,110	10/04/2018	09/04/2020
01/04/2018	Ochil Tower School Ltd	Respite Care placement	£230,000	01/04/2018	31/03/2020
01/04/2018	Ochil Tower School Ltd	Respite Care placement	£220,000	01/04/2018	31/03/2020

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
01/04/2018	Port of Leith Housing	Housing support for Older People	£51,581	01/04/2018	31/03/2019
01/04/2018	With You Limited	Housing support for Older People	£136,369	01/04/2018	31/03/2019
04/04/2018	Green Cross Training Ltd	First Aid Training	£100,000	01/04/2018	31/03/2021
05/04/2018	Arcadis LLP	Call off – CCS Hard FM Services Partner	£110,413	09/04/2018	09/04/2019
11/04/2018	Travelers Insurance Company Ltd	Edinburgh Trams Insurance	£1,438,063	31/05/2018	30/05/2021
20/04/2018	Collective Architecture Limited	Call off – Professional services	£987,000	20/04/2018	20/04/2019
20/04/2018	National Youth Choir of Scotland	Kodaly based music training	£59,117	20/04/2018	30/06/2018
20/04/2018	RSP Consulting Engineers LLP	Call off – Professional services	£97,950	20/04/2018	20/04/2019
20/04/2018	Will Rudd Davidson Edinburgh Ltd	Call off – Professional services	£323,145	20/04/2018	20/04/2019
23/04/2018	Barnardos Scotland	Managed Support services	£6,934,580	01/04/2018	31/03/2021
23/04/2018	Smith of Derby Limited	Maintenance of civic clocks	£109,966	23/04/2018	16/04/2021
30/04/2018	IHS Global Ltd	Construction information services	£109,119	30/04/2018	20/03/2020
01/05/2018	Action For Children	Residential care	£440,000	01/04/2018	31/03/2020
01/05/2018	Active Ark Limited	Residential care	£490,000	01/04/2018	31/12/2020
01/05/2018	Aecom Limited	Call off – Professional services	£379,140	01/05/2018	17/05/2019
01/05/2018	Aecom Limited	Call off – Professional services	£65,000	01/05/2018	01/05/2019
01/05/2018	Carr Gomm Scotland Ltd	Housing and support services	£599,015	02/04/2018	31/12/2020
01/05/2018	Currie & Brown UK Limited	Call off – Professional services	£205,920	01/05/2018	01/05/2019
01/05/2018	Currie & Brown UK Limited	Call off – Professional services	£140,400	01/05/2018	01/05/2019
01/05/2018	TRL (GB)	ECO Stars Fleet Recognition Scheme Framework	£750,000	01/05/2018	30/04/2020
01/05/2018	Horizons Residential Care Limited	Residential care	£380,000	01/04/2018	31/12/2020
01/05/2018	Horizons Residential Care Limited	Residential care	£380,000	01/04/2018	31/03/2020
01/05/2018	Steer Davies & Gleave Ltd	Legal services	£104,238	01/05/2018	01/05/2020
01/05/2018	Thomas & Adamson	Call off – Professional services	£162,500	01/05/2018	01/05/2019
04/05/2018	Cobalt Telephone Technologies Ltd	System maintenance service	£100,000	01/05/2018	01/05/2019
08/05/2018	AHR Architects Limited	Call off – Professional services	£75,000	08/05/2018	30/06/2019
09/05/2018	Enable Scotland	Care and Support	£64,000	09/05/2018	31/03/2019
09/05/2018	Johnson Poole & Bloomer	Call off - Site investigations	£80,388	30/06/2018	31/12/2018
10/05/2018	Edinburgh Coach Lines Ltd	Supported Bus Route	£202,000	01/04/2018	30/03/2019
10/05/2018	Lothian Buses PLC	Supported Bus Route	£109,700	01/04/2018	30/03/2019
10/05/2018	Maybo Ltd	Call off, staff training	£63,000	14/05/2018	13/05/2020
10/05/2018	Waverley Travel	Supported Bus Routes	£74,000	01/04/2018	30/03/2019
11/05/2018	Aecom Limited	Call off – Professional services	£73,000	11/05/2018	11/05/2019
14/05/2018	BHL Consultancy Ltd	NEC3 site supervision services	£219,648	18/06/2018	30/10/2020
16/05/2018	AW Jenkinson Woodwaste Ltd	Uplift and Recycling of Waste Laminates	£180,000	03/01/2018	01/06/2019

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
16/05/2018	Keep Scotland Beautiful	Maintenance of environment systems	£240,000	01/04/2018	31/03/2022
20/05/2018	Canal View Care Ltd	Care Home Places	£1,173,213	21/05/2018	20/10/2020
23/05/2018	Link Living Ltd	Group Work for Young People Service	£73,350	02/07/2018	01/07/2021
25/05/2018	The Yard	Holiday Activity Programme	£675,530	29/05/2018	30/05/2019
29/05/2018	Ocean Serviced Apartments Ltd	Respite accommodation	£50,000	01/05/2018	31/12/2018
31/05/2018	Aecom Limited	Call off – Professional services	£50,000	23/04/2018	30/07/2018
31/05/2018	Swanton Care & Community Limited	Residential care	£185,000	31/05/2018	30/04/2019
01/06/2018	Curo Salus Ltd	Residential care	£488,000	01/04/2018	31/03/2020
06/06/2018	IMG Artists UK Ltd	Music performers, culture events	£175,000	01/04/2018	31/12/2018
07/06/2018	Eilis B Murray	Stenography services	£50,000	07/06/2018	31/05/2022
08/06/2018	H R Cartwright Consultancy	Building services adviser services	£92,000	17/04/2018	30/06/2018
08/06/2018	Len Murray	Building services adviser services	£88,000	17/04/2018	30/06/2018
09/06/2018	Stephen Quinn Associates Ltd	Building services adviser services	£105,000	17/04/2018	30/06/2018
12/06/2018	Ashurst LLP	Legal services	£1,000,000	01/07/2018	30/06/2019
13/06/2018	LearnPro Limited	Maintenance, training system	£215,229	01/06/2018	31/07/2020
15/06/2018	Cyrenians	Supported Accommodation	£92,056	25/06/2018	31/03/2019
20/06/2018	JMT Care Services Ltd	Fostercare services	£77,310	01/04/2018	30/08/2018
26/06/2018	Action for Children	Residential care	£164,000	16/07/2018	20/01/2019
29/06/2018	Wrixon Security Services Limited	Secure transport services	£120,000	29/06/2018	31/12/2025
02/07/2018	Carr Gomm Scotland Ltd	Care and Support service	£1,800,000	02/07/2018	01/07/2020
02/07/2018	Clyde & Co (Scotland) LLP	Legal services	£250,000	02/07/2018	02/07/2023
02/07/2018	Penumbra	Care and Support service	£137,052	02/07/2018	01/07/2020
03/07/18	Aecom Limited	Call off – Professional services	£823,107	03/07/2018	02/07/2019
03/07/18	Aecom Limited	Call off – Professional services	£678,064	03/07/2018	02/07/2019
03/07/2018	Dunedin School	Education support services	£82,000	01/04/2018	31/07/2018
04/07/2018	Safe Families for Children (Scotland)	Family Support Volunteer Service	£739,500	01/07/2018	30/06/2021
06/07/2018	Balfour Beatty Civil Engineering Ltd	Call off – Scape, Professional Bridge services	£112,875	06/07/2018	02/11/2018
10/07/2018	Airwave Solutions Ltd	Radio services	£53,598	01/06/2018	01/06/2023
11/07/2018	St. Albans Lodge (GB) / Camstone (Scotland) Ltd (GB) / Leamington House (GB) / K&S Mir Ltd T/A Cameron Guest House Group (GB) / rowan alba limited (GB) / Ardblair Guest House (GB) / MS Properties (Edinburgh) Ltd T/A AAA Guest House (GB) / Bainfield Ltd (GB) / 3A Solutions Ltd trading as Maple Leaf Group (GB) / Rowan Alba limited (GB)	Open Framework for Temporary Accommodation, Shared Houses & Shared House with Inclusive Housing Support	£40,000,000	03/08/2018	03/08/2020

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
11/07/2018	GTS Solutions CIC	Call off - SXL Transport Marshals services	£58,047	01/06/2018	31/03/2019
12/07/2018	ExecSpace Limited	Call off, SP conference venues	£140,000	12/07/2018	11/07/2019
17/07/2018	City of Glasgow College	Call off, Staff Training	£230,760	13/08/2018	12/08/2020
17/07/2018	North Edinburgh Childcare	Call off, Staff Training	£91,200	13/08/2018	12/08/2020
19/07/2018	Gerald Eve LLP	Call off, CCS professional services	£331,980	23/07/2018	22/07/2021
19/07/2018	Lothian Buses PLC	Supported Bus Services	£241,500	27/07/2018	31/03/2019
25/07/2018	Public-i Group Limited	Call off, Braintree Council, Webcasting service	£164,290	01/08/2018	31/07/2021
26/07/2018	Scene One Search and Selection Limited	Professional services	£55,000	26/07/2018	31/10/2018
07/08/2018	The Welcoming Association(GB) / Saheliya (GB)	English Language Teaching and Cultural Integration Support	£385,200	16/07/2018	15/07/2020
09/08/2018	Winning Moves UK Ltd	Advertising	£54,000	01/09/2018	31/10/2021
17/08/2018	Borders Buses Ltd, Stagecoach East Scotland, Edinburgh Coach Lines Ltd, E&M Horsburgh Ltd, First Scotland East Ltd, Waverley Travel, Lothian Buses	Supported Bus Services Framework	£4,800,000	02/07/2018	01/07/2022
17/08/2018	Sweco UK Holding Limited	Call off – SXL Workplace travel technical services	£117,924	01/09/2018	31/05/2019
20/08/2018	Capita Property & Infrastructure Ltd	Call off – Professional services	£244,000	20/08/2018	31/12/2020
21/08/2018	Andy McKinnell Ltd	Professional observer service	£154,000	21/08/2018	20/08/2021
22/08/2018	Dunedin School	Educational services	£570,000	22/08/2018	30/06/2020
24/08/2018	University of Edinburgh	Advice and Support	£70,000	01/04/2018	31/03/2019
27/08/2018	Jacobs Engineering UK Ltd	Call off, SXL Technical services	£524,427	29/08/2018	31/05/2019
27/08/2018	Matrix Fife	Call off, SP Upholstery	£90,000	01/09/2018	30/11/2019
27/08/2018	Turner & Townsend Infrastructure	Call off, SXL Technical services	£135,000	29/08/2018	31/05/2019
30/08/2018	Action For Children	Residential Care	£347,000	30/08/2018	31/03/2020
03/09/2018	Swanton Care & Community Limited	Residential Care	£89,000	03/09/2018	25/05/2019
05/09/2018	JMT Care Services Ltd	Care service	£77,310	01/07/2018	30/09/2018
05/09/2018	Scottish Nursing Guild	Recruitment service	£245,000	25/03/2018	30/10/2018
06/09/2018	Progressive Partnership Ltd	Call off, SG - Market Research service	£235,840	10/09/2018	09/09/2019
14/09/2018	Thomas & Adamson	Call off, Professional services	£642,339	14/09/2018	13/09/2019
14/09/2018	Thomas & Adamson	Call off, Professional services	£718,171	14/09/2018	13/09/2019
17/09/2018	iCOM Works Ltd	Tenant Discount scheme	£195,403	25/09/2018	24/09/2020
18/09/2018	City Health Clinic Limited	Driver Medicals for Taxi and Public Hire Cars	£95,000	09/09/2018	01/09/2019
18/09/2018	Collective Architecture	Call off, Professional services	£215,587	18/07/2018	17/09/2020
18/09/2018	Collective Architecture	Call off, Professional services	£315,963	18/09/2018	17/09/2019
25/09/2018	Enable Scotland	Residential care	£223,000	06/10/2018	18/11/2020
25/09/2018	Enable Scotland	Residential care	£298,000	15/10/2018	06/04/2020
25/09/2018	The Action Group	Residential care	£90,436	25/10/2018	25/01/2020

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
26/09/2018	Hermes Equity Ownership Services Limited	Investment Management services	£250,000	01/07/2018	30/06/2019
27/09/2018	Alzheimer Scotland-Action on Dementia	Care services	£174,227	01/09/2018	31/03/2020
27/09/2018	Scene One Search and Selection Limited	Professional Services	£128,000	01/07/2018	30/04/2019
28/09/2018	Action For Children	Residential Care	£447,700	01/10/2018	31/03/2020
28/09/2018	Field And Lawn Limited	Festive Lighting and trees	£305,490	03/10/2018	02/10/2020
03/10/2018	Stepping Stones North Edinburgh	Early years services	£93,194	01/04/2019	31/03/2020
09/10/2018	Barnardos Scotland	Training events	£55,512	01/04/2018	31/03/2020
09/10/2018	National Youth Choir of Scotland	Kodaly based music training	£57,760	15/08/2018	30/06/2019
10/10/2018	Borders College, Fife College	SVQ Children Social Services Training	£185,700	15/10/2018	14/10/2020
11/10/2018	Siemens Mobility Ltd	Traffic Signal Maintenance, Supply and Installation	£200,000	04/11/2018	31/03/2019
11/10/2018	Zurich Municipal	Insurance services	£274,036	01/07/2018	01/07/2019
12/10/2018	Studio arc Design Consultants Ltd	Update and installation of museum displays	£69,450	01/09/2018	31/12/2018
19/10/2018	Bloom Procurement Services Ltd	Call off, Design support service	£143,399	19/10/2018	06/06/2021
22/10/2018	Dunedin School	Specialist education services	£570,000	22/10/2018	30/06/2019
30/10/2018	Arcus Consultancy Services Limited	Specialist recruitment services	£106,730	01/11/2018	31/03/2019
30/10/2018	Midland Software Limited	Software licences	£56,500	01/10/2018	31/12/2018
01/11/2018	Modern Mindset Ltd	Call off, CCS – Management tools and online services	£92,530	01/11/2018	30/10/2020
05/11/2018	Change, Grow, Live	Offender Recovery Service (extension)	£503,126	01/04/2019	31/03/2020
05/11/2018	Hymans Robertson	Call off, NCCT - Actuarial Services	£922,512	01/01/2019	31/12/2022
13/11/2018	Alere Toxicology Plc	Laboratory test kits	£372,480	19/11/2018	18/11/2021
14/11/2018	Changeworks Recycling Ltd	Collection of paper	£140,000	30/04/2018	31/03/2019
14/11/2018	Roberts Partnership Ltd, Edinburgh Chamber of Commerce, Targeting Innovation Limited, STEP	Business Gateway services Framework	£3,616,130	19/11/2018	18/11/2020
14/11/2018	Central Radio Taxis (Tollcross) Ltd (GB), Edinburgh City Private Hire Ltd (GB)	Framework Agreement for Unescorted Passenger Journeys	£6,000,000	15/12/2018	14/12/2021
14/11/2018	Gateway Shared Services	Management of Schools Work Placement Programme	£88,500	01/07/2018	30/06/2019
15/11/2018	Crisis UK	Rent Deposit Guarantee Service	£443,009	28/01/2019	27/01/2022
15/11/2018	Energy & Compliance Limited t/a Compliance365	Call off, SXL - Energy Performance Certificates	£67,390	19/11/2018	19/03/2020
22/11/2018	Action For Children	Holiday Activity Programme	£60,000	01/04/2019	31/03/2020
23/11/2018	David Narro Associates Ltd	Call off, Professional services	£84,672	23/11/2018	22/11/2019
27/11/2018	Torus Design Ltd	Design Consultancy Services for Bridges	£100,000	01/06/2018	31/03/2019
27/11/2018	We Are Ready Ltd	Cultural venue performer services	£58,000	01/11/2018	28/02/2019

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
28/11/2018	Scott & Co (Scotland) LLP (GB), Walker Love (GB)	Sheriff Officer and Debt Collection Services Framework	£879,371	01/02/2019	31/01/2023
28/11/2018	Heywood Ltd	Integrated Pension Administration & Payroll Software System	£2,947,430	28/11/2018	27/11/2028
03/12/2018	Mark Porteous Funeral Directors Ltd	Funeral Services	£72,000	03/12/2018	02/12/2020
05/12/2018	Hamilton Waste and Recycling Ltd	Receipt and Recycling of Waste	£90,000	01/12/2018	31/03/2020
06/12/2018	Lloyd Smith Photography & Film (GB), Stuart Nicol Photography (GB), Gavin Bryce, Daysix Film Production (GB), Colin Hattersley Photography (GB), Graham Clark Photographer (GB), Tanami (GB), Raw Film Productions (GB), Sync or Swim Productions (GB), Glass Bullet Productions Ltd (GB), Holyrood Partnership (GB), Alan McCredie Photography (GB), Greg Macvean Photography (GB)	Photography and Video Services Framework	£140,000	01/01/2019	31/12/2021
11/12/2018	ABM Facility Services Scotland Limited	Cleaning service	£105,000	01/02/2019	01/08/2019
11/12/2018	Team Netsol Ltd	ICT system maintenance	£115,200	11/12/2018	11/10/2019
12/12/2018	Redburn (Europe) Limited	Pension Investment Research	£50,000	01/01/2019	31/12/2019
18/12/2018	APS Group Scotland Ltd	Call off, CCS – specialist print services	£160,000	01/02/2019	31/01/2021
18/12/2018	Arlingclose Limited	Treasury Management services	£150,000	03/01/2019	02/01/2021
19/12/2018	Barnardos Scotland	Transition services for young people	£62,400	01/04/2019	31/07/2019
19/12/2018	Barnardos Scotland	Residential care short breaks	£145,000	01/11/2018	31/03/2019
19/12/2018	Credo Care Ltd	Fostercare placement services	£122,300	01/10/2018	31/03/2019
19/12/2018	JMT Care Services Ltd	Fostercare placement services	£100,130	01/10/2018	31/03/2019
19/12/2018	Midland Software Limited	Software upgrade	£182,211	18/12/2018	01/04/2019
21/12/2018	Ecosse Sports Ltd t/a Replay Maintenance	Call off, SXL – maintenance and inspection of pitches	£114,306	03/12/2018	02/12/2020
27/12/2018	Charles River Development Limited	Investment Front Office Software System	£3,259,369	27/12/2018	26/12/2022
27/12/2018	Richmond Fellowship Scotland	Care Service for young people	£122,800	31/12/2018	28/02/2019
28/12/2018	IBM United Kingdom Ltd	ICT Audit of software and licenses	£87,592	01/01/2019	31/12/2019
10/01/2019	Levenseat Ltd	Treatment and Disposal of waste	£240,000	24/11/2018	07/03/2019
15/01/2019	Muirhouse Medical Group	Research and innovation service	£58,750	01/04/2018	30/06/2019
16/01/2019	Community Renewal Trust (Consortium)	Edinburgh Targeted and Integrated Employability Service	£3,600,000	01/04/2019	31/03/2021

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16/01/2019	IMG Artists UK Ltd	Artists Agents for Cultural Venues	£175,000	01/01/2019	31/07/2019
28/01/2019	MCR Pathways	Young People support service	£240,000	01/01/2019	30/09/2019
30/01/2019	Bethany Christian Trust	Homelessness Services	£121,673	01/04/2019	30/09/2019
11/02/2019	Inform Communications PLC	Call off, CCS – ICT System upgrades	£398,000	01/03/2019	28/02/2021
14/02/2019	Osiris Educational Woodhall Spa Limited	Specialist training for teaching staff	£84,050	01/04/2018	30/04/2019
15/02/2019	David Ogilvie Engineering Ltd	Personalised inscription Plaques	£200,000	01/03/2019	01/03/2022
15/02/2019	Glendale Grounds Management Ltd (GB)	Garden Aid and ad hoc grounds maintenance Framework	£2,500,000	01/03/2019	28/02/2023
15/02/2019	Sibcas Limited	Relocation of Temporary Nursery Unit	£178,025	13/02/2019	31/08/2019
05/03/2019	Projecting Limited	System support	£68,875	28/02/2019	30/09/2019
20/03/2019	Edinburgh Young Carers Project	Young Carers Support Service	£91,690	01/04/2018	30/06/2020
22/03/2019	Changeworks Recycling Ltd	Servicing of paper banks	£75,000	01/04/2019	31/10/2019
22/03/2019	Meallmore Ltd	Adult care services	£439,900	31/03/2019	31/03/2020
22/03/2019	War Productions Limited	Audio Visual and Projection Equipment	£60,000	01/03/2019	30/04/2020
22/03/2019	Waverley Care	Adult care services	£555,977	31/03/2019	31/03/2020
25/03/2019	Common Ground Mediation Ltd	Mediation Services for Children and young people	£85,000	01/04/2019	31/03/2022
28/03/2019	Barnardos Scotland	Respite services for Children	£350,000	01/04/2019	31/03/2020
28/03/2019	Childcare Connections Limited, North Edinburgh Childcare, Kizcare, Smilechildcare	Subsidised Childcare for Working Parents	£4,380,100	01/04/2019	31/03/2022
28/03/2019	Scottish Adoption Association	Adult adoption counselling services	£430,920	01/04/2019	31/03/2023
WORKS CONTRACT AWARDED - 3					
13/04/2018	Crummock (Scotland) Ltd (GB), Luddon Construction Ltd (GB), Kiely Bros Ltd (GB), Mackenzie Construction Ltd (GB), MacLay Civil Engineering Ltd (GB), Robertson Civil Engineering (GB), T&N Gilmartin (Contractors)Ltd (GB), Aggregate Industries UK LTD (GB), Colas Ltd (GB), Lightways (Contractors) Limited (GB), Markon Limited (GB), Lanes Group (GB), DAMM Environmental (GB)	Transport and Infrastructure Framework	£60,000,000	30/04/2018	29/04/2020
04/06/2018	Amey OW Limited	Energy Efficient Street Lighting Replacement	£15,219,449	05/06/2018	04/06/2021
24/01/2019	John Graham Construction Ltd, t/a Graham Construction (GB)	Call off, Construction Works, Meadowbank Sports Centre	£39,294,291	24/01/2019	23/01/2021

Annex 2 – Compliance with Procurement Strategy

Strategy objectives

1. Deliver Savings and Best Value (and we will do this by):		
Item	Our Progress	Status
Working together to identify opportunities and continuing to challenge the status quo	<ul style="list-style-type: none"> ➤ Adoption of a Business (Commercial) Partnering approach in relation to procurement matters; ➤ Close working with 'customers' across and external to the organisation to identify new and innovative solutions – challenging the existing, striving for improvement; ➤ Services considered on a cross-directorate (Council wide) basis to deliver holistic solutions; and ➤ Best Value efficiencies borne from within the Commercial and Procurement Services team and by Directorates, captured within the Commercial Pipeline tracker. 	Fully Complied
Focusing on the delivery of a service which delivers successful preventative care and early intervention through the localities model	<ul style="list-style-type: none"> ➤ Review and delivery of alternative service delivery models based around localities approach; ➤ Collective working, inclusive of Health and Social Care / Communities and Families integration with third party providers as one to deliver successful services; ➤ Shift in emphasis to preventative and early interventions and, where appropriate, delivery at a locality level; and ➤ Significant change impacted through co-production with service users and providers. 	Fully Complied
Improving contract and supplier relationship management across the Council to ensure optimum value and innovation from our contractual relationships	<ul style="list-style-type: none"> ➤ The Contract and Grants Management (CAGM) team oversee strategy and Council-wide best practice; ➤ Contract management framework has been created to be used by contract managers in all Council service areas. It is a toolkit for contract management activities throughout a contract's lifecycle and has a strong focus on supplier management and compliance; ➤ Contract management framework was co-produced with corporate teams across the Council (including Risk, Resilience, Information Governance, Health and Safety and Internal Audit) as well as contract managers <p>The CAGM team lead on delivering operational efficiencies, reviewing the Council's top suppliers, securing better outcomes, best value and improved performance;</p>	Partially Complied

1. Deliver Savings and Best Value (and we will do this by):

Item	Our Progress	Status
	<ul style="list-style-type: none"> ➤ The CAGM team work to ensure that key suppliers and contract managers develop partnership working relationships, proactively manage risks and take advantage of specific contractual opportunities to deliver innovation and efficiencies; and ➤ Contract Management Training has been developed and Contract Management Forums are ongoing focussing on sharing best practice and lessons learned. 	
Applying a whole life costing approach which balances cost, quality and sustainability	<ul style="list-style-type: none"> ➤ Whole life cost considered early at the time of strategy development, with evaluation focused on a balanced cost, quality and sustainability threshold; ➤ Focus shift from 'price only' evaluation, to Whole Life Costing procurement supporting the local economy; ➤ Whole Life costing included within procurement service templates, to be considered on every appropriate opportunity; and ➤ Continual monitoring on the use of whole-life costing within our tender approach, with Best Practice shared and recorded for future reference. 	Fully Complied
Increasing market engagement and benchmarking to drive competitive tenders and to improve quality through best practice	<ul style="list-style-type: none"> ➤ Regulated procurements embrace market engagement, research and benchmarking in order to maximise quality and value. Various 'Meet the Buyer / Supplier' events held throughout the period; ➤ Evaluation process establishes scale of commercial opportunity, complexity and political and/or social impact, with an outcome categorisation rating; ➤ Collaboration with other Local Authorities and/or public-sector partners, benchmarking undertaken to establish baseline and learn of best practice within the sector; ➤ Frequent market engagement through Prior Information Notice on Public Contracts Scotland, advertising engagement and co-production events on the Edinburgh Compact website; and ➤ Use of third sector engagement organisations such as Edinburgh Voluntary Organisations Council and Coalition of Care and Support Providers in Scotland (CCPS). 	Fully Complied
Increasing collaboration through the City and Lothians as well as with other public-sector organisations	<ul style="list-style-type: none"> ➤ Ongoing commitment and active contribution to Scotland Excel collaborative approach with all our Local Authority Partners; 	Fully Complied

1. Deliver Savings and Best Value (and we will do this by):

Item	Our Progress	Status
	<ul style="list-style-type: none"> ➤ Focus on increased collaboration with other public-sector organisations with recent engagement with the Scottish Prison Service and University of Edinburgh; and ➤ New collaborative contracts introduced with partners such as East, West and Midlothian Councils, NHS Lothian, NHS Fife, North and South Ayrshire Councils, Aberdeenshire Council and Police Scotland. 	Fully Complied
Maximising Community Benefits	<ul style="list-style-type: none"> ➤ Community Benefits imposed in all contracts over £50,000 where appropriate for supplies, services and works; ➤ Development of model questions for contracts and frameworks to encourage appropriate and preferred benefits linked to our communities; ➤ Community Benefit requirements continue to provide a method of including social and economic matters in public contracts; ➤ Successful delivery of a number and range of different community benefits within period; and ➤ Community Benefits captured internally and reported to CPS senior management. 	Fully Complied

2. Improve Processes and Policies by:

Item	Our Progress	Status
Developing a light touch procurement regime for health and social care services which will deliver the best service outcomes for the available budget.	<ul style="list-style-type: none"> ➤ The 'light touch' procurement regime used extensively to deliver better outcomes - service users and providers of services. Significant resources dedicated to co-production and service redesign with third sector partners e.g. Mental Health, Domestic Abuse, Day Services and Homelessness Services ➤ Approach ensured continuity of care for those already in receipt of services using 'direct award' in specific circumstances; and ➤ Innovative processes (based upon Dynamic Purchasing Systems), to provide the flexibility and access to capacity to deliver a more comprehensive range of services. Building on initial procurements using this method and the lessons we learned from an operational aspect further procurements are underway. 	Fully Complied
Working closely with service areas in commissioning activities to fully		Fully Complied

2. Improve Processes and Policies by:

Item	Our Progress	Status
<p>comply with the Procurement (Scotland) Regulations 2015, Procurement Reform (Scotland) Act 2014, Procurement 2016 and Statutory Guidance by embedding requirements in our procurement handbook and standard procurement documentation</p>	<ul style="list-style-type: none"> ➤ Regulations and statutory guidance embedded into the Contract Standing Orders and reviewed on an annual or as required basis; ➤ Contract Standing Orders have provided the policy to amend and improve processes and procedures utilised to support compliance of commissioning for goods, works and services required; ➤ Regulated procurements tendered via PCS website; ➤ Case Law under the new regulations is reviewed to incorporate good practice and learning into own processes and documentation; ➤ Council Procurement Handbook updated to reflect guidance changes; and ➤ Procurement documentation reviewed and amended to reflect changes in legislation and Contract Standing Orders 	Fully Complied
<p>Making sustainable procurement business as usual, and incorporating community benefits in all appropriate contracts with values of £50,000 and above</p>	<ul style="list-style-type: none"> ➤ Council's Sustainable Procurement Policy Outcomes commit to maximising social and economic benefits from all procurement activity; ➤ Procurement document suite incorporates prompts to aid inclusion of social, economic and environmental benefits to support our policy and Council strategic aims; ➤ Sustainable procurement is pivotal in our procurement handbook and CSOs which is part of our induction process for staff and annual policy awareness compliance checks; ➤ As above, community benefits imposed in contracts over £50,000 where appropriate; and ➤ Procurement training provided to staff to support their learning and understanding of their influence. 	Fully Complied
<p>Applying Fair Work requirements to procurements and encouraging the adoption of these and promotion of the Living Wage</p>	<ul style="list-style-type: none"> ➤ New Fair Work Best Practice Guidance launched by Scottish Government in June 2018 used to refresh procurement staff awareness on this statutory duty; ➤ Relevance of Fair Work Practices is considered for all regulated procurements; ➤ Key aspect considered in the procurement journey ensuring this is adequately addressed where appropriate; ➤ Embedded in the relevant procurement documentation templates inclusive of the Procurement Plan, Invitation to Tender, Evaluation Questions and the Terms and Conditions; and 	Fully Complied

2. Improve Processes and Policies by:

Item	Our Progress	Status
	<ul style="list-style-type: none"> ➤ Processes developed to ensure compliance with legislative duty to consider sustainable procurement in every project and contract with robust Fair Work Practices embedded within. 	
Supporting local businesses and SMEs through closer working with City Strategy and Economy and other partners, and by making our processes more streamlined and accessible	<ul style="list-style-type: none"> ➤ Council has board representative and supports Supplier Development Programme Scotland to deliver their procurement training programme to SMEs. Close relationships with the Place Directorate; ➤ Meet the Buyer events attended each year and hosting of contract specific events to ensure potential SMEs and the Council deliver best value through a better understanding of project and procurement process, examples of project specific events are, Edinburgh Tram to Newhaven, Meadowbank Sports Arena Redevelopment, Fountainbridge Housing and Commercial Property Redevelopment These events specifically target opportunities for sub-contractors within the main contracts. ➤ Contract Standing Orders include the provision to support the use of local SMEs for purchasing under £50,000. At least one SME from the City of Edinburgh or a significant employer within the City of Edinburgh shall be invited to tender in any process for purchases/ contracts of an estimated value of £50,000 or less; ➤ 'Light Touch' frameworks specifically designed to attract bids from SME and Micro Businesses by reducing the administrative and financial burden of putting a bid in, e.g. Learning and Development Framework and Option 2 and 3 for Children's Services. ➤ Contracts lotted appropriately to support SMEs bid for goods, services and works aligned to their business model and to support our local supply chain deliver best value for the council; and ➤ Collaborative bids supported and training is provided where the market indicates this would be preferred to ensure a valued and compliant bid is secured. 	Fully Complied
Working closely with the third sector and supported businesses to deliver better outcomes for service users and our communities	<ul style="list-style-type: none"> ➤ Consideration to involvement of third sector supported businesses in Regulated Procurements is included at the early strategy stage of a project; ➤ Regular meetings with Edinburgh Voluntary Organisations Council (EVOC) as one of our third sector representations; ➤ Third Sector Organisations have been commissioned to co-production and strategies, for example, Day Care Services in conjunction with the Council ➤ Sizeable increase in usage of existing supported businesses such as North Lanarkshire Industries, Dovetail Enterprises, EESL Ltd, Matrix Fife and St Jude's Laundry as a result of internal promotion across the Council; and 	Fully Complied

2. Improve Processes and Policies by:

Item	Our Progress	Status
	<ul style="list-style-type: none"> ➤ Attending supported business events to gain insight to developments and cascading the detail and contact information to council staff. 	
Promoting compliance by contractors and sub-contractors with the Health and Safety legislation	<ul style="list-style-type: none"> ➤ Working closely with Health and Safety professionals the CAGM team introduced the Contract Handover and Management Report (CHMR) which details processes for monitoring risks, health and safety, financial standing, Business Continuity; ➤ The CMHR advises suppliers and contract managers that health and safety requirements for contracts should be determined during the procurement process and details the necessary monitoring required during a contract's lifecycle; ➤ The CMHR further ensures that suppliers and contract managers are aware of their roles and responsibilities by ensuring that details of Health and Safety information provided to suppliers and the Council prior to commencement, during the contract, assurance and all incident reporting is properly logged and recorded; ➤ Guidance is in place to assist managers plan and commission construction related property alteration or refurbishment works to ensure works comply with relevant Health and Safety legislation, procurement requirements, building standards and Council processes; ➤ A works planning checklist is in place with prompt to risk assessments, responsibilities, relevant policy and contact details of responsible parties; ➤ Assessment and monitoring carried out by relevant departments, procurement process includes reference to Health and Safety where applicable; and ➤ The Council Health and Safety Policy sets out contract owner's responsibilities for managing contractors. 	Fully Complied
Promoting the highest standards of animal welfare and encouraging the procurement of fairly and ethically traded goods and services	<ul style="list-style-type: none"> ➤ Edible Edinburgh Sustainable Food City Plan is referenced in our procurement documents when buying foods; ➤ References through User Intelligence Groups that feed into Scotland Excel frameworks through which the majority of our goods and food supplies are purchased; and ➤ Fair trade considerations included within recent coffee projects for internal cafes 	Fully Complied

2. Improve Processes and Policies by:

Item	Our Progress	Status
<p>Continuing to improve compliance using our Purchase to Pay (P2P) processes to maximise the controls available.</p>	<ul style="list-style-type: none"> ➤ Purchase to Pay (P2P) process continues to strictly control payments whilst ensuring payment to suppliers occurs in a timeous fashion. Statistics relating to adherence are collated and communicated to Directorates across the Council. Consideration to inclusion of Purchase Card spend within this data set; ➤ 'Vendor form' (new suppliers) modified to capture information and provide guidance in relation to 'micro businesses', GDPR legislative compliance (relating to privacy statement) and secure transfer of sensitive data. ➤ Initial scoping of overall Council process (for subsequent publication on Council's intranet site), working in partnership with colleagues from Internal Audit and HR, to support Council-wide understanding and compliance with the Intermediaries Legislation (IR35), Roles and responsibilities identified to enable robust monitoring across the Council. ➤ Enhancement of bank account change process, to ensure that when a supplier alters bank details on multiple occasions in short time period, a review of the financial stability of the supplier will be triggered. This process raised awareness of potential supplier instability and ensures up to date review of supplier financial evaluation is undertaken. 	<p>Fully Complied</p>
<p>Ensure as far as reasonably practicable that payments to contractors and down through the supply chain are made no later than 30 days after a valid invoice is presented</p>	<ul style="list-style-type: none"> ➤ Adoption of Standard Terms and Conditions for all regulated procurements to ensure the requirement for the Council to pay undisputed invoices within 30 days of receipt; ➤ All regulated procurements in period included terms and conditions regarding the prompt payment of Contractors making payment to their nominated sub-contractors; and ➤ 95.15% of invoices, met the KPI and were paid within 30 days during the reporting period. ➤ In view of 'Construction Policy Note 01/2019: Project Bank Accounts - Revised Thresholds and Procedures', roles and responsibilities identified and communicated across relevant Council Directorates to ensure adherence to new thresholds from March '19, as these requirements become more commonplace across the Council. 	<p>Fully Complied</p>

3. Improve Processes and Policies by:

Item	Our Progress	Status
<p>Developing a light touch procurement regime for health and social care services which will deliver the best service outcomes for the available budget.</p>	<ul style="list-style-type: none"> ➤ New 'light touch' procurement regime used extensively to deliver better outcomes - service users and providers of services alike, e.g. Pupil Equity Funding' and Learning and Development providers; ➤ Approach ensured continuity of care for those already in receipt of services using 'direct award' in specific circumstances; and ➤ Innovative processes (based upon Dynamic Purchasing Systems), to provide the flexibility and access to capacity to deliver a more comprehensive range of services. 	Fully Complied
<p>Promoting and supporting professional training opportunities through apprenticeships, trainee programme and continuing professional development options for wider specialist team including CIPS and learning opportunities offered via Scotland Excel</p>	<ul style="list-style-type: none"> ➤ Encouragement, mentoring and support to staff to embrace learning opportunities and undertake appropriate CIPS training, resulting in 91% of specialist procurement staff holding or working towards professional qualifications; ➤ Support to two procurement apprentices working on SVQ and up to five procurement trainees in specialist development with on the job and study opportunities provided; ➤ Staff study towards and attainment in CIPS Level 4 Diploma and Level 5 and 6 advanced Diploma; and ➤ CPD opportunities supported, including events on recent case law, specialist services such as care or sign language, leading to more experienced staff attaining Chartered Status of CIPS membership. 	Fully Complied
<p>Developing practical delivery skills in Commercial and Procurement Services through training, secondments, work shadowing and mentoring activity</p>	<ul style="list-style-type: none"> ➤ Development and Implementation of Commercial Training Plan for staff, covering variety of different training opportunities e.g. refresh on savings methodologies, demand management, and procurement systems; ➤ Training events undertaken from external providers and legal experts, updates on case law, or Police Scotland awareness on serious and organised crime risks to public procurement; ➤ Workshops on Human Trafficking and whole team awareness of Modern Slavery and supply chains; and ➤ Providing work shadowing opportunities to staff new to commercial roles such as contract management. 	Fully Complied
<p>Promoting Commercial and Procurement Services across the Council to support compliance and improved commercial awareness by delivery of drop in sessions,</p>	<ul style="list-style-type: none"> ➤ Variety of promotional, training and engagement sessions using internal website and drop in sessions; ➤ Regular Contract and Grants Managers' forums are learning opportunities with attendee driven agendas raising awareness of commercial performance, compliance; 	Fully Complied

3. Improve Processes and Policies by:

Item	Our Progress	Status
alongside a library of learning events	<ul style="list-style-type: none"> ➤ Bespoke Contract Management online learning has been developed to improve commercial awareness and improve supplier relationships/delivery of service; ➤ Regular attendance at Finance 'Lunch and Learn' events growing profile of team and improving understanding of roles and responsibilities relating to procurement, performance monitoring and contract management; ➤ Contract Standing Order training events provided to Schools, Elected Members (undertaken for new Elected Members this year), the Corporate Leadership Team (CLT) and ad hoc on demand to service areas; ➤ 'Quick Quote' training. learning and development programme extended to wider Council to support tender document development; ➤ Intranet regularly updated with library of support documentation and changes such as modifications to the Contract Standing Orders, Grants Standing Orders, Contract Management Framework and relevant policies and charters e.g. Sustainability Policy, Construction Charter and community benefits; and ➤ Regular meetings Council wide to raise awareness of commercial performance, compliance and support future contract planning, e.g. Schools' Business Managers Forum, and Procurement Boards across a variety of Directorates within the Council. 	Fully Complied
Engaging with other local authorities and other organisations which provide scope for knowledge transfer and efficiency through working together	<ul style="list-style-type: none"> ➤ Regular engagement through Scottish Government Local Procurement Forum (SGLPF), Scotland excel user groups, Scottish Procurement; ➤ Sharing insight on contract management and other projects with local authority and other public-sector colleagues to support knowledge transfer and market insight; ➤ Staff engaged in Procurement People of Tomorrow events and attendance at the Annual Procurex event; and ➤ Sharing knowledge and best practice through engagement in performance improvement groups and presenting at Scotland Excel conferences. 	Fully Complied
Improving contract and supplier management practices across the Council	<ul style="list-style-type: none"> ➤ The contract management framework provides guidance to contract managers around the measurement of benefits (financial and non-financial) and promotes regular monitoring of suppliers; ➤ Supplier performance is tracked and monitored by the relevant contract manager with innovations and lessons learned recorded in contract records and community benefits measured using our bespoke Cenefits system; 	Part Complied

3. Improve Processes and Policies by:

Item	Our Progress	Status
	<ul style="list-style-type: none"> ➤ The standard supplier agenda template includes a standing item on supplier innovation and developments encouraging ongoing dialogue focused on continuous improvement; ➤ Key performance indicators are used particularly on higher value and high-risk contracts to motivate suppliers to perform and continually improve; ➤ The CAGM team work to ensure that key suppliers and contract managers develop partnership working relationships, proactively manage risks and take advantage of specific contractual opportunities to deliver innovation and efficiencies; Contract Management Training has been developed and Contract Management Forums are ongoing focussing on sharing best practice and lessons learned. ➤ Commercial and Procurement Services working in partnership with Directorates have facilitated the development of overarching contract/supplier management processes, information, advice and guidance; ➤ Collaborative working and partnership relationships with service providers encouraged through adoption and application of standard practices/policies and best practice in contract management; and ➤ Development of relationships with major framework providers and counterpart teams in other local authorities, public sector and third sector organisations. Identifying best practice to deliver best value and drive continuous improvement across sectors. 	

Plan to Improve Future Compliance

While Procurement Strategy Compliance is being met across most objectives and our contract management actions have made significant improvements in policy and process in the last year, we consider there were further improvements to be achieved through embedding the new arrangements.

Deliver savings and Best Value (and we will do this by):

Improving contract and supplier relationship management across the Council to ensure optimum value and innovation from our contractual relationships

- Embed policy into practice.
- Reinforce the application of effective contract management as policy supported by Contract Standing Orders.

Increase Expertise, Capacity and Effectiveness (and we will do this by):

Improving contract and supplier management practices across the Council

- Continue to offer relevant training and guidance to improve and embed contract and grant management process and procedure;
- Review adoption of new processes and provide support where needed to improve practices;
- Engage and develop relationship with new major providers as contracts and frameworks are renewed.

Annex 3 – Future Procurement Activity

New Procurements				
Brief Contract Description	Contract Estimated Value	Expected Contract Notice Date	Expected Award Date	Expected Start Date
Granton Waterfront Redevelopment	£ 650,000,000	01/10/2020	01/04/2021	01/10/2021
Fountainbridge/India Quay - Residential and Mixed Use	£ 70,000,000	01/08/2019	01/05/2020	01/08/2020
House Builder / Developer for Meadowbank	£ 50,000,000	01/04/2020	01/04/2020	01/10/2021
Western Villages Housing Development	£ 48,000,000	01/08/2019	01/03/2020	01/05/2020
Powderhall Development	£ 27,000,000	01/11/2019	01/05/2020	01/08/2020
Silverlea Development	£ 12,000,000	01/09/2019	01/05/2020	01/06/2020
Coatfield Lane Redevelopment	£ 6,000,000	30/11/2019	01/05/2020	01/08/2020
Recurring Procurements				
Brief Contract Description	Contract Estimated Value	Expected Contract Notice Date	Expected Award Date	Expected Start Date
Care at Home Services	£ 300,000,000	01/07/2020	01/06/2021	01/10/2021
Asset/Facilities Management	£ 250,000,000	01/09/2019	01/08/2020	01/10/2020
Housing Support with Care at Home	£ 160,000,000	12/01/2020	01/09/2020	01/10/2020
Active Travel Associated Works Framework	£ 80,000,000	01/09/2019	01/04/2020	01/04/2020
Foster Care	£ 50,000,000	20/01/2020	01/10/2020	01/11/2020
Children's Residential Care	£ 45,000,000	01/09/2019	01/07/2020	01/08/2020
Housing Property Framework R&M	£ 35,000,000	01/09/2019	01/02/2020	01/04/2020
Professional Services Framework	£ 32,400,000	01/08/2019	02/02/2020	01/04/2020
Building Renovation trade materials, managed services	£ 25,000,000	01/02/2021	31/12/2021	01/04/2022

Managed Services for Private Sector Leasing	£ 22,545,250	01/06/2019	31/12/2019	01/04/2020
Nursing & Dementia Care Home Services - Castlegreen & North Merchiston	£ 22,000,000	10/02/2020	08/12/2020	10/04/2021
Day Opportunities for Older People	£ 21,000,000	01/12/2019	01/09/2020	01/10/2020
Install, Repair & Maintenance of CCTV Systems and Assoc Infrastructure	£ 10,000,000	01/04/2020	01/02/2021	01/04/2021
Carer Support Services	£ 8,000,000	31/08/2019	01/05/2020	01/06/2020
Care- Night Cover	£ 8,000,000	20/01/2020	01/09/2020	01/10/2020
Mental Health Wellbeing Services	£ 7,000,000	31/10/2019	30/03/2020	01/04/2020
Multi - Functional Devices - Print Services	£ 5,790,000	29/06/2019	28/11/2019	28/02/2020
Manned Security Guarding	£ 5,038,543	01/10/2019	07/01/2020	01/04/2020
Global Custody Services	£ 4,000,000	01/12/2020	01/10/2021	01/03/2022
Vacant Property Protection & Services.	£ 3,000,000	01/09/2019	01/04/2020	01/04/2020
Term Service Contract for Road Design	£ 3,000,000	01/09/2019	31/08/2020	01/09/2020
Adult Sensory Support	£ 2,000,000	01/02/2020	15/09/2020	01/10/2020
Care and Repair services	£ 1,250,000	01/02/2020	01/09/2020	01/10/2020
Property Consultancy Services	£ 1,200,000	01/07/2019	31/03/2020	01/04/2020
Homelessness Prevention: Support to Establish a Home	£ 1,200,000	10/07/2019	20/12/2019	01/04/2020
ICT Support Services for Lothian Pension Fund	£ 1,200,000	20/01/2020	20/01/2021	01/04/2021
Edinburgh and Midlothian Offender Recovery Service (EMORS)	£ 1,000,000	01/09/2019	30/03/2020	01/04/2020
Further and Higher Education Training	£ 1,000,000	01/04/2020	01/09/2020	01/10/2020
Black Asian Minority Ethnic (BAME) Women Support Services	£ 900,000	01/08/2019	05/12/2019	01/04/2020
Provision of Merchant Services	£ 881,000	01/11/2019	01/02/2020	02/06/2020

British Sign Language (BSL) Services	£	812,500	01/04/2020	01/12/2020	01/04/2021
Maintenance of radio mast	£	807,784	01/09/2020	01/10/2021	01/11/2021
Core Banking Services	£	800,000	25/06/2019	15/09/2019	01/01/2020
Lift Maintenance	£	800,000	01/11/2019	01/01/2020	01/04/2020
Community development for people in recovery from drug and alcohol addiction	£	550,000	01/10/2019	01/08/2020	01/10/2020
Internal Audit Services	£	500,000	30/01/2020	01/05/2020	05/05/2020
Volunteer-Based Service Alcohol Related Brain Disorder	£	340,000	01/11/2019	30/06/2020	01/07/2020
Provision of Cash in Transit Services	£	317,000	01/11/2019	01/02/2020	01/07/2020
Kennelling Services	£	300,000	01/09/2019	31/12/2019	01/08/2020
Health Risk Detection and Management Solution	£	300,000	01/12/2019	01/09/2021	01/10/2021
Confidential Waste Recycling and Disposal	£	250,000	01/10/2019	30/03/2020	01/04/2020
Learning Management System	£	230,000	01/10/2019	01/04/2020	01/08/2020
Events in the Meadows and Inverleith during Summer festival 2020-2022	£	180,000	01/08/2019	01/10/2019	01/06/2020
External Audit services	£	150,000	02/03/2020	01/10/2020	01/11/2020
City Centre West End Cycle Link Monitoring	£	150,000	01/04/2020	31/08/2020	01/09/2020
Whistleblowing Hotline	£	147,000	12/10/2019	10/05/2020	12/05/2020
Servicing for Fleet Workshop Equipment	£	125,000	01/10/2019	30/03/2020	01/04/2020
Marketing and PR Specialist services	£	108,000	31/10/2019	01/02/2020	01/04/2020
Housing Service Focus Group Programme	£	100,000	15/07/2019	17/09/2019	01/10/2019
Monitoring of Hand and Arm Vibration Syndrome	£	100,000	01/09/2019	01/03/2020	01/04/2020
Manual Vehicle Wash/Steam Clean for Fleet services	£	100,000	01/10/2019	30/03/2020	01/04/2020

Device Repairs	£ 92,000	01/08/2019	01/11/2019	01/12/2019
Tachograph Analysis Service	£ 88,000	01/09/2019	30/01/2020	31/03/2020

Glossary

Term	Description
Best Value	The legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003.
CIPS	The Chartered Institute of Procurement and Supply (CIPS) is the leading body representing the field of procurement and supply chain management.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit.
Commercial Awareness	Evidence of commercial acumen. Awareness of the need for efficiency, cost-effectiveness, customer/stakeholder support, a knowledge of the sector and the services the organisation provides and will provide in the future, considering the strategic objectives, current economic climate etc. A track record of appropriate procurement skill and experience, evidence of on-going/continual training and development. (desirable and post/org specific) professional qualification/undertaking or willingness to undertake as appropriate.
Contract Management	The process of monitoring the performance of a supplier to contract.
Co-production	The real and meaningful involvement of the citizens of Edinburgh including future recipients of the service and key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement.
Demand Management	To take costs out of an organisation by addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption. Demand management examples: Challenging requirements that specify brand or other over specification.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Procurement strategy	Strategy for procurement within an organisation (can be called policy).
Small Medium Enterprise (SME)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supplier / Provider / Contractor	An entity who supplies goods or provides services or execution of works.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
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Appendix 2 - Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a Framework Agreement]

<u>1. Organisation and report details</u>	
a) Contracting Authority Name	City of Edinburgh Council
b) Period of the annual procurement report	1 April 2018 to 31 March 2019
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<u>2. Summary of Regulated Procurements Completed</u>	
a) Total number of regulated contracts awarded within the report period	207
b) Total value of regulated contracts awarded within the report period	£261,631,834
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	160
i) how many of these unique suppliers are SMEs	120
ii) how many of these unique suppliers how many are Third sector bodies	11
<u>3. Review of Regulated Procurements Compliance</u>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	207
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<u>4. Community Benefit Requirements Summary</u>	
Use of Community Benefit Requirements in Procurement:	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	9
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	9
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	45

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups <i>(Each contracting authority sets its own priority groups)</i>	50
e) Number of Apprenticeships Filled by Priority Groups	132
f) Number of Work Placements for Priority Groups	57
g) Number of Qualifications Achieved Through Training by Priority Groups	n/k
h) Total Value of contracts sub-contracted to SMEs	n/k
i) Total Value of contracts sub-contracted to Social Enterprises	n/k
j) Total Value of contracts sub-contracted to Supported Businesses	n/k
k) Other community benefit(s) fulfilled	£113,451

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	37
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	112
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated	20

contract awarded during the period.

d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.

9

6. Payment performance

a) Number of valid invoices received during the reporting period.

395,172

b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)

95.15%

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.

207

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain

n/k

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period

1

b) Total spend with supported businesses during the period covered by the report, including:

£236,505

i) spend within the reporting year on regulated contracts

64,510

ii) spend within the reporting year on non-regulated contracts

171,995

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.

£634,836,888

b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£283,419,572
c) Total procurement spend with Third sector bodies during the period covered by the report.	n/k
d) Percentage of total procurement spend through collaborative contracts.	n/k
e) Total targeted cash savings for the period covered by the annual procurement report	£38,700,000
i) targeted cash savings for Cat A contracts	n/a
ii) targeted cash savings for Cat B contracts	n/a
iii) targeted cash savings for Cat C contracts	n/a
f) Total delivered cash savings for the period covered by the annual procurement report	£38,500,000
i) delivered cash savings for Cat A contracts	n/a
ii) delivered cash savings for Cat B contracts	n/a
iii) delivered cash savings for Cat C contracts	n/a
g) Total non-cash savings value for the period covered by the annual procurement report	n/a
<u>9. Future regulated procurements</u>	
a) Total number of regulated procurements expected to commence in the next two financial years	60
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£1,977,752,077

Commercial Excellence Programme Summary

1. Background

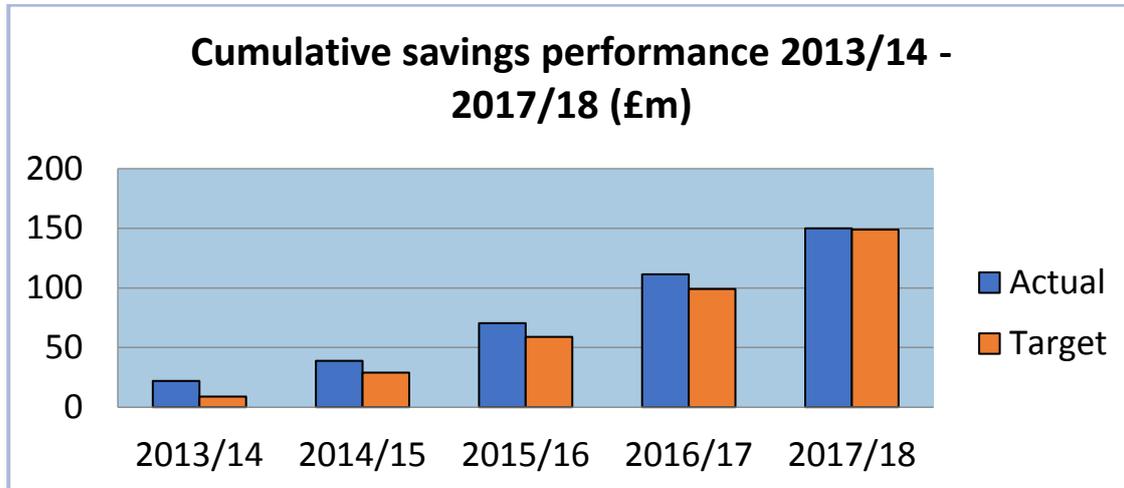
- 1.1 The Council appointed EY in March 2013, on a gain-share basis, to assist the Council with the delivery of the Commercial Excellence programme over a five-year period.
- 1.2 The Council recognised that operational changes were required to improve savings opportunities through its procurement activity following an initial pipeline review, and the EY appointment was made to assist in the delivery of the change, with the following overall aims: -
 - 1.2.1 deliver £149m of cashable savings for the Council over five years;
 - 1.2.2 transform the existing operational procurement team into a fit-for-purpose and sustainable in-house commercial unit; and
 - 1.2.3 raise the standards in buying practices and processes across the Council.
- 1.3 The EY support to the Council's Commercial and Procurement Services (CPS) ended in March 2018. During the five years several update reports were provided to committee, in addition to reporting in respect of the Council's procurement strategy.
- 1.4 The savings achieved, and improvements made between 2013 and 2018, are summarised in this appendix.

2. Programme Summary

2.1 The Commercial Excellence programme had a Council-wide strategic approach with, in essence, a focus on 3 workstreams. These workstreams drew upon best practice, whilst aligning with the needs of the Council, and were as follows, namely (i) commercial and procurement delivery, which identified and delivered a wide range of projects securing savings and wider non-financial benefits, (ii) improving commercial practice, namely by changing buyer and supplier behaviour to help protect targeted savings and drive additional benefits, and (iii) capability development, which built skills and awareness across the Council to enable the ongoing delivery of the programme.

Savings

- 2.2 To address the identified financial challenges, and help sustain essential services, the primary objective of the programme was to deliver financial savings. The Council's savings target was achieved through a range of initiatives, as referred to above, which included (i) improved commercial awareness, (ii) improved recording, monitoring and tracking of commercial outcomes, (iii) improved processes and controls, (iv) cost avoidance and (v) income maximisation opportunities.



- 2.3 The EY staff were embedded within CPS, and worked together with Directorates to engage on new ideas generated from market insights and benchmarking analysis. This resulted in new or early re-tender of contracts and reduction in demand, which provided cash savings and/or improved efficiency.
- 2.4 In excess of 700 projects were delivered through the programme. Savings projects of note include those in respect of ICT and LED street lighting replacement, whilst the JC Decaux advertising and Festival Wheel contracts demonstrated the Council's ability to generate income from commercial opportunities.

Transformation

- 2.5 Capability development of the procurement team was a key element within the overall aims of the programme. In 2012 the Council scored 51% in the Procurement Capability Assessment (PCA), which was conducted by Scotland Excel on behalf of the Scottish Government. The PCA results improved year on year with 59% in 2013 and 76% in 2014.
- 2.6 The Procurement and Commercial Improvement Programme (PCIP) is the mechanism which replaced PCA in 2016 for assessing procurement performance, again carried out by Scotland Excel. The PCIP assessment in July 2017 rated the Council at an overall score of 85%, placing the Council in the highest band and significantly above the local authority average of 64%. In March 2019 a focused re-assessment increased the Council's overall score to 87%.
- 2.7 The scores achieved reflect the Council's investment in staff training and development. CPS worked with EY to develop and deliver a core programme of change, including developing knowledge around influencing and negotiation, risk management, customer experience and Council business, and the skills and confidence in CPS staff have increased significantly. Procurement and commercial skills and knowledge have also been improved through Council investment in the Chartered Institute of Procurement and Supply

(CIPS) professional training programme for new trainees and existing staff. Current development programmes continue, and include improving staff's technical skills in procurement law, coaching and negotiation skills, contract and supplier management and sustainability.

- 2.8 During the five years, new procurement processes were introduced collaboratively and embedded to ensure consistency in approach to the delivery of procurement projects through 5 stages. The '5 stage process', as it is now known throughout the Council, covers: – identification of the opportunity, development of the proposal, approval of the proposal, implementation of the project and operation and measurement. This approach has been introduced to support all procurement projects, along with a new suite of templates and guidance produced by Council staff which reflects best practice, Council policies and new legislation.
- 2.9 Commercial development and investment has continued to extend beyond CPS, in recognition of the need to deliver better value and make each pound go further in difficult financial times. In August 2017 a Contract and Grants Management team was introduced, along with the development of online learning tools to ensure contracts actually deliver the savings expected through the procurement process and improve supplier relations. Contract Standing Orders are reviewed on a regular basis, and other improvements include (i) embedding co-production as standard in the procurement process for health and social care services, (ii) a requirement to consider how community benefits might be secured through new procurement exercises, and (iii) improvement of controls and visibility on off-contract spend.
- 2.10 At the end of the five-year partnership with EY, CPS staff feel that the transfer of skills and additional commercial awareness EY brought has enabled them to continue to confidently deliver the benefits underpinning the Commercial Excellence programme without on-going use of external assistance.
- 2.11 The progression of CPS during the programme has also been recognised elsewhere, with the Council being successful in winning several industry awards, including the CIPFA award for innovation, improvement and best practice in 2015 for the Commercial Excellence programme, and the GO Scotland award for sustainable procurement in 2016.