

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Strategic Commissioning
<b>DATE</b>	21 November 2019
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Annual Procurement Report 2018/2019
<b>REPORT NUMBER</b>	COM/19/442
<b>DIRECTOR</b>	Rob Polkinghorne
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Craig Innes
<b>TERMS OF REFERENCE</b>	General Delegation 7.6

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### 1. PURPOSE OF REPORT

- 1.1 Every Scottish Local Authority is required to publish an Annual Procurement Report on its procurement activity. This supporting appendix to this report is in a format following guidance issued by the Scottish Government.

### 2. RECOMMENDATION

That the Committee:-

- 2.1 approve the content and publication of the Annual Procurement Report 2018 - 2019 (Appendix A).

### 3. BACKGROUND

- 3.1 Section 18 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Local Authority to publish an annual procurement report on its regulated procurement activities. Regulated procurements are any procurement of goods and services with a value above £50,000 and works contracts with a value above £2 million.
- 3.2 This report provides the performance of procurement activity across Aberdeen City Council. The report has been produced in accordance with the guidance issued by the Scottish Government and includes a number of mandatory and optional sections. The report covers all regulated procurements completed

from during the financial year 2018/19; and anticipated future procurements covering the next two years (2020-2022).

3.3 Section 19 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Local Authority to publish its procurement strategy on the internet and notify the Scottish Government of its publication. The Scottish Government must also prepare an annual report on procurement activity in Scotland which is based upon all the published annual procurement reports.

3.4 The Council's procurement function is shared with Aberdeenshire and The Highland Council. The procurement strategy sets out how the authority will ensure that its procurement activity delivers value for money and contributes to the achievement of the authority's broader aims and objectives, in line with Scotland's National Outcomes. The Strategy was published in 2017 and covers the period 2017 – 2022.

3.5 The high level strategic priorities of the Joint Procurement Strategy focus on key themes of Efficiency, Governance and Improvement to underpin all procurement activity:-

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

3.6 The Annual Procurement Report covers the following Sections:-

<b>Section</b>	<b>Title</b>	<b>Content</b>
1	Summary of Regulated Procurements	Regulated procurements that have been completed in the reporting period.
2	Review of Regulated Procurement Compliance	Information on how regulated procurements have complied with the key objectives of the Joint Procurement Strategy
3	Community Benefits Summary	Community benefit requirements imposed as part of a regulated procurement.
4	Supported Businesses Summary	Steps taken to facilitate the involvement of supported businesses in regulated procurements.
5	Future Regulated Procurement Summary	Regulated procurement the authority expects to commence in the next two financial years.

3.7 As summarised in this report, significant community benefit outcomes have been secured through the Council’s procurement activities. To increase the measured impact across the city, the Council is working with Community Planning partners to explore how approaches could be aligned. Furthermore, Community Planning Aberdeen plans to engage the wider business community, beyond its supply chain, to promote opportunities for businesses to contribute towards lasting, transformational change through their corporate social responsibility efforts. This approach will see public, private and third sector organisations working together towards the shared ambition of ensuring ‘Aberdeen is a place where all people can prosper’ through the delivery of the Local Outcome Improvement Plan. This will be achieved by connecting businesses of all sizes with improvement projects and community organisations delivering social, economic and environmental outcomes for the city. There are a number of case study examples showcasing the benefits to both communities and businesses to support this as a result of community benefits delivery achieved to date.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications from the recommendations of this report. The Commercial and Procurement Team will continue to target savings from all aspects of the strategic procurement process (tender, contract management, purchase to pay cycle) and will embed and improve demand management within the processes.

#### 5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Financial</b>	Assisting the council to meet budget savings targets	M	Continue to look for opportunities to collaborate in procurement with our public sector partners and benchmark to ensure that collaborations provide best value.
<b>Legal</b>	Procurement challenge	M	Mandatory training to ensure staff are confident in their understanding of procurement regulations and other relevant regulations.

<b>Employee</b>	Staff awareness of process	M	Mandatory training supplemented with documented guidance and support notes
<b>Customer</b>	Lack of signposting to key information	M	Develop and implementation of a procurement communication strategy which will include updating our internal and external procurement pages and provide regular updates to all council staff.
<b>Environment</b>	Lack of knowledge and understanding of the benefits of sustainable procurement	M	Increase through the training programme the knowledge and understanding of the benefits of sustainable procurement for all council staff who participate in the procurement process and make better use of the expertise within the council to ensure wider sustainable outcomes are achieved.
<b>Technology</b>	N/A		N/A
<b>Reputational</b>	N/A		N/A

## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	Promote Supplier Development Programme to assist Aberdeen based SMEs and Third Sector organisations in bidding for tender opportunities within our contracts.
<b>Prosperous People</b>	Maximise opportunities relating to targeted recruitment, supplier capacity building and sub-contracting opportunities for SMEs, Social Enterprises, Supported Businesses and Third Sector organisations.
<b>Prosperous Place</b>	Continue to drive social and economic sustainability principles into procurement in a relevant and proportionate manner with a particular focus on embedding community benefit clauses.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not required for this report

## 9. BACKGROUND PAPERS

None

## 10. APPENDICES

Annual Procurement Performance Report 2018/2019.

## 11. REPORT AUTHOR CONTACT DETAILS

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