

Background

Bield's Procurement Strategy for 2018-23 was approved by the Board in March 2018. It has since been sent to Scottish Ministers, as per the requirements of the Procurement Reform (Scotland) Act 2014 (the Act).

Performance in relation to delivery of the Strategy is to be reported in a number of ways:

- Mid-year reporting to Performance & Audit Committee
- Annual report to Board
- Annual report to Scottish Ministers in accordance with the requirements of the Act

In this period, there has been significant work undertaken in relation to delivery of the Procurement Strategy Action Plan as well as the 2018/19 Contract Delivery Plan.

The Procurement Strategy Action Plan is provided in Appendix A.

Procurement Capability Improvement Programme (PCIP)

Bield's first assessment under the Procurement Capability Improvement Programme was undertaken by Scotland Excel on 10 September 2018. It was determined that our capability is currently at an average of Level 2 (overall score of 66), this is a strong score and ranks high within the sector. Reassuringly a number of the areas for improvement are already included in the Strategy Action Plan and are being addressed.

Contract Delivery Plan

The key focus for 2018/19 was to move current arrangements over to framework agreements where possible. This has generated a number of savings as outlined on page 2.

2018/19 Contract Delivery Plan

Contract	Use of f/work	Contract Period (inc. extn)	Total Contract Value	Savings				Process (non-cash)
				Direct Price Based	%	Price v Market	%	
Supply of Dry, Chilled, Ambient and Frozen Food and Drinks	Y	5	£1,875,000					£6,000
Supply of Agency Workers	Y	3.75	£802,384	£23,850	2.9%			£6,000
Office Supplies and Janitorial Products	Y	5	£442,500	£157,500	26.3%			£6,000
Housing Management System	Y	7	£379,400			£165,600	30.4%	£6,000
Managed Print Service	Y	5	£175,933	£199,067	53.1%			£6,000
Gillsland Grove Roof Tender	N	One off	£90,045			£32,959	26.8%	
Food Waste Disposal	N	5	£42,750					
Re-Tender Passenger Lift Maintenance Areas 1-3	N	1.6	£40,304			(£837)	(2.1%)	
Re-Tender Window Cleaning Lots 7 and 8	N	1.6	£37,894	£5,306	12.3%			
Water Coolers	Y	5	£33,926	£7,084	17.3%			£3,000
Washroom Solutions (was Sanitary Waste)	Y	5	£9,550	£44,630	82.4%			
Reactive Repairs (with Trust & Hanover)*	N	4	£6,164,000			(£28,000)	(0.4%)	
Cleaning Service – Edinburgh Office	N	5	£116,200	£43,800	27.4%			
Water Hygiene Risk Assessments	N	One off	£60,000					
			£10,269,886	£481,237		£169,722		£33,000

Savings have been achieved both in relation to direct price based savings and price v market savings, with an average of 6% (low of -2.1% and high of 82.4%). There have also been additional efficiency savings through use of collaborative framework agreements, which are calculated as £33,000 (non-cash).

*this contract was procured by Trust on behalf of Bield, Hanover and Trust with the figures shown being an estimate of Bield's share of the four area based lots.

Performance Measures and Targets

A number of performance measures were developed as part of the Procurement Strategy, performance against these measures in the period is outlined in the table below.

P.O.	Performance Measure	Target	Target Date	Achieved 2018/19
1	PCIP Level	Level 2 Level 3	31/03/2021 31/03/2023	Level 2 – average (66)
2	Contract spend as % of total	65% 80%	31/03/2021 31/03/2023	73.5%
2, 3	Direct price based savings	No target	Annual reporting	£481,237 (based on total contract value)
2, 3	Price v market Savings	No target	Annual reporting	£169,722 (based on total contract value)
2, 3	Customer satisfaction levels in contracts with direct impact	To be developed	To be developed	Not reported, to be developed
4	SME spend as % of total	No target	N/A	28.6%*
4	Third sector spend as % of total	No target	N/A	Not reported*
4	Supported business spend as % of total	No target	N/A	Not reported*
5	Existing framework agreements as % of total spend	No target	N/A	19.0% (year to date)
5	Local collaborative contracts as % of total spend	No target	N/A	10.2% (year to date)
5	Process savings from use of collaborative arrangements	No target	N/A	£33,000

*Currently there is no mechanism within our finance system to allow us to obtain this information in relation to total spend. The figure provided in relation to SME's relates to contracts awarded year to date, of which 14 suppliers/contractors have been awarded and 4 of those are considered to be an SME. No contracts have been awarded to third sector or supported businesses this year to date.

Next Steps

The next steps will be as follow:

- » Deliver 2019/20 Contract Delivery Plan
- » Implement PCIP Action Plan
- » Develop and implement the following strategies:
 - o Customer Consultation
 - o Supplier Engagement
 - o Contract Management
 - o Procurement Training and Development

It should be noted that progress with the above will need to take into consideration the significant change happening within the organisation. Timing and approach taken will be critical and timescales may need to be adjusted accordingly.

Appendix A - Procurement Strategy Action Plan

Action no	High Level Action	Main Actions / Commitments	Outcomes	Performance Measures/ Benchmark	Completion Date	Lead	Input	RAG Status
1	PCIP Assessment	PCIP Formal Assessment	PCIP Formal Assessment Level ascertained PCIP Action Plan created	PCIP Performance Level	30/04/2018 31/03/2019	Procurement	Departments	Complete
2	Procurement Policy and Procedures	Update Procurement Policy and Procedures, review with relevant key departments to ensure consistency	Procurement Policy Procurement Procedures	Procurement Policy and Procurement Procedures	31/03/2018	Procurement	SMT / OMT / Departments	Complete
		Implement Procurement Policy and Procedures	Procurement Policy and Procedures implemented	Contract v non-contract spend Compliance	Ongoing	Departments	Procurement	Complete
3	Procurement Planning	Carry out detailed expenditure analysis using historical spend information	Contract Delivery Plan	Contract Delivery Plan in place	31 March each year	Procurement	SMT / OMT / Departments	Complete
		Identify possible 'new' spend	Contract Delivery Plan	Contract Delivery Plan in place	31 March each year	Procurement	SMT / OMT / Departments	Complete
		Categorise spend as Category: A (national) B (sectoral) C1 (potential local collaboration) C (local - organisation only)	Contract Delivery Plan	Contract Delivery Plan in place	31 March each year	Procurement	SMT / OMT / Departments	Complete
		Develop contract delivery plan including: A: spend to be directed via an existing national framework B: spend to be directed via an existing sectoral framework C1: spend to be investigated in terms of potential for collaboration with other RSL's C: spend to be procured by Bield	Contract Delivery Plan	Contract Delivery Plan in place	31 March each year	Procurement	SMT / OMT / Departments	Complete
4	Contract Delivery	Implement Contract Delivery Plan	Contracts delivered in line with CDP	No contracts planned v delivered % spend via existing framework % spend via local collaboration % spend via Bield specific contract % spend 'out of contract'	31 March the following year Annual reporting to Board	Departments	Procurement	The 2018/19 Contract Delivery Plan was progressed with the formal award of some contracts falling into 2019/20
5	Benefits Tracking	Implement a Benefit Tracking Methodology	Benefit Tracking Information	Direct Price Based Savings Price v Market Savings Customer Satisfaction Levels Sustainability Benefits Community Benefits	6 monthly reporting	Procurement	SMT / OMT / Departments	Complete
6	Customer Consultation and Engagement	Categorise contract delivery plan re: 1. Contracts with a direct customer impact 2. Contracts that do not have a direct customer impact	Customer Consultation Strategy	No of contracts with direct impact v number of contracts where consultation has taken place (target 100%)	31/03/2019	Procurement	SMT / OMT / Departments	Complete
		Develop and implement an agreed approach to consulting with customers where there is a direct impact	Customer Consultation Strategy	No of contracts with direct impact v number of contracts where consultation has taken place (target 100%)	31/03/2019 Annual report to Board	Procurement	Departments	Not yet started - awaiting confirmation of procurement resource as part of Organisational Review
		Investigate existing means of seeking feedback on customer satisfaction. Map how these can feed into the procurement process. Identify any gaps and agree approach to fill those	Customer Consultation Strategy	Customer satisfaction levels	31/03/2019 Annual report to Board	Procurement	SMT / OMT / Departments	Not yet started - awaiting confirmation of procurement resource as part of Organisational Review

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Action no	High Level Action	Main Actions / Commitments	Outcomes	Performance Measures/ Benchmark	Completion Date	Lead	Input	RAG Status
7	Supplier Development	Categorise contract delivery plan re: 1. Market is familiar with PCS/public sector tendering procedures 2. Market is not familiar with PCS/public sector tendering procedures	Supplier Engagement Strategy	% contracts with SME's % contractors with third sector % contractors with supported business	31/03/2019	Procurement	SMT / OMT / Departments	This is a key area of improvement identified from the PCIP and work is yet to commence on this.
		Develop and implement an agreed approach to engaging with suppliers and contractors in markets not familiar with PCS/public sector tendering procedures	Supplier Engagement Strategy	% contracts with SME's % contractors with third sector % contractors with supported business	31/03/2019 Annual report to Board	Procurement	Departments	This is a key area of improvement identified from the PCIP and work is yet to commence on this.
		Continue to update Bield Contract Register	Contract Register	Contract Register up to date and accurate	Ongoing	Procurement	Departments	Complete
8	Contract Management	Categorise contract register into: 1. Strategic / High Value / High Risk contracts 2. Medium Value / Risk contracts 3. Low Value / Risk contracts	Contract Management Strategy	All contracts being managed in line with Contract Management strategy, in a manner which is proportionate to their strategic nature and value/risk	31/03/2019 Ongoing	Procurement	SMT / OMT / Departments	This is a key area of improvement identified from the PCIP and work is yet to commence on this.
		Develop and implement an agreed approach to contract management, including implementation of balanced scorecard approach in all Strategic/High Value/High Risk contracts	Contract Management Strategy	All contracts being managed in line with Contract Management strategy, in a manner which is proportionate to their strategic nature and value/risk	Ongoing	Procurement	Departments	This is a key area of improvement identified from the PCIP and work is yet to commence on this.
9	Training and Development	Develop Procurement Training and Development Strategy	Procurement Training and Development Strategy	Numbers of staff involved in procurement v training levels	31/03/2019 Annual report to Board	Procurement	SMT / OMT / Departments	Training continues to be identified on an ad hoc basis, however formal approach not yet developed.
		Implement Procurement Training and Development Strategy	Procurement Training and Development Strategy	Numbers of staff involved in procurement v training levels	31/03/2019 Ongoing	Procurement	Departments	Training continues to be identified on an ad hoc basis, however formal approach not yet developed.

