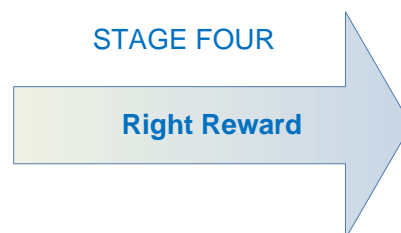
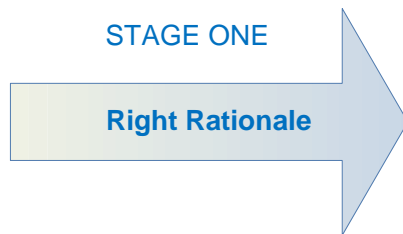




# THE MORAY COUNCIL

## PROCUREMENT PROCEDURES

**V21 December 2023**



# CONTENTS

## **Section 1 INTRODUCTION TO THE PROCEDURES**

- 1.1 Use of These Procedures
- 1.2 Purpose
- 1.3 Objectives
- 1.4 Updates
- 1.5 Changes/Version Control

## **Section 2 ROLES & RESPONSIBILITIES**

- 2.1 Roles & Responsibilities
- 2.2 Levels of Responsibility
- 2.3 Training
- 2.4 Levels of Expenditure
- 2.5 Procurement Legislation

## **Section 3 IDENTIFYING NEED**

- 3.1 Developing the Procurement/Tender Strategy (PR08)

## **Section 4 TENDERING & QUICK QUOTE PROCESSES**

- 4.1 Procurement Team Support
- 4.2 Quick Quote and Tendering
- 4.3 Tender Advertisement
- 4.4 Value for Money
- 4.5 Standstill Period Before Contract Award
- 4.6 Post Award
- 4.7 Exceptions to Tendering and Quick Quote Requirements

## **Section 5 CONTRACT MANAGEMENT**

- 5.1 Contract Award
- 5.2 Benefits Tracking
- 5.3 Contract Register – Award Notice
- 5.4 Contract Adoption & Administration
- 5.5 Managing the Contract
- 5.6 Contract Variation
- 5.7 Financial
- 5.8 National, Sectoral & Council Wide Contracts

## **Section 6 SUPPLIERS**

- 6.1 Suppliers
- 6.2 Consultants

## **Section 7 PURCHASE TO PAY PROCESS**

- 7.1 Council Orders
- 7.2 Methods of Ordering
- 7.3 Payment

<b>Section 8</b>	<b>CONTRACT EXIT PLANNING</b>
<b>Section 9</b>	<b>PROCUREMENT QUALITY MEASUREMENTS</b>
	9.1 Performance Measurement
	9.2 Procurement & Commercial Improvement Programme (PCIP)
<b>Section 10</b>	<b>RECORDS MANAGEMENT</b>
	10.1 Effect on Procurement
	10.2 FOI Exemptions
	10.3 Records Management
<b>Section 11</b>	<b>CONSTRUCTION PROCUREMENT</b>
<b>Section 12</b>	<b>PROCUREMENT TEAM CONTACT DETAILS</b>
	<a href="#">Link to Reform Statutory Guidance</a>

REFERENCE IS MADE THROUGHOUT THE DOCUMENT TO GUIDANCE MATERIAL WHICH CAN BE FOUND ON THE PROCUREMENT INTERCHANGE PAGES OR BY USING THE DIRECT LINKS CONTAINED WITHIN THIS DOCUMENT

<b>Author/s</b>	PROCUREMENT TEAM		
<b>Version</b>	V21	<b>By</b>	JH
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<b>Authorised by</b>	Lorraine Paisey		
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## **1. INTRODUCTION TO THE PROCEDURES**

### **1.1 USE OF THESE PROCEDURES**

- 1.1.1 Chief Officers are to ensure that anyone involved in any part of the procurement process has read and understood these procedures. Procurement processes include ‘from identification of need, to purchase, payment and ultimately disposal of asset or exit from contract’.

### **1.2 PURPOSE**

- 1.2.1 This document provides Council staff with a single reference point, to allow them to procure in accordance with Council regulation and all other statutes and instruments that govern public sector procurement in Scotland and the United Kingdom. This applies to all circumstances where goods, services or works are to be provided by an external organisation.

### **1.3 OBJECTIVES**

- 1.3.1 To detail the most efficient and appropriate procedures to be followed by all staff when procuring/purchasing goods, services and works on behalf of the Council.
- 1.3.2 To support the Council’s [Procurement Policy](#) and [Annual Strategy](#) to achieve standardised practices and procedures pertaining to procurement across the entire Council.

### **1.4 UPDATES**

- 1.4.1 These procedures will be regularly reviewed and will be updated as necessary to reflect any legislative or other changes which impact on procurement. Updates will be published on the Interchange and Procurers will be notified when changes have been made.

### **1.5 CHANGES**

<b>SECTION 2 – ROLES &amp; RESPONSIBILITIES</b>	
2.4.1	Amendment to the financial thresholds set out in the Public Contracts (Scotland) Regulations 2015 Amendment to Quick Quote threshold
<b>SECTION 4 – TENDERING &amp; QUICK QUOTE PROCESSES</b>	
4.2.1	Amendment to Quick Quote threshold
<b>SECTION 6.2 – CONSULTANTS</b>	
6.2	Amendment to Quick Quote threshold

### 1.5.2 Previous Versions

Version	Date
1	Apr 2006
2	Sep 2007
3	Dec 2008
4	May 2009
5	Jan 2010
6	Sept 2010
7	Jan 2011
8	Aug 2011
9	May 2012
10	May 2013
11	Dec 2013
12	May 2014
13	Apr 2015
14	July 2016
15	Nov 2016
16	May 2017
17	Jan 2020
18	Apr 2021
19	Jan 2022
20	Dec 2022
21	Dec 2023

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## 2 ROLES & RESPONSIBILITIES

### 2.1 ROLES & RESPONSIBILITIES

2.1.1 Ultimately the Chief Executive is responsible for all procurement carried out within the Council. However governance and accountability for procurement has been delegated:

#### 2.1.2 Governance



- Moray Councillors will provide the leadership to ensure that Officers execute their procurement duties effectively, efficiently and economically and that they also promote and establish constructive supplier and stakeholder relationships in order to deliver best value and quality services to the community.
- The Procurement Team will support departments in their preparation to meet the governance and accountability requirements.
- Internal and External Audit will be responsible for auditing departmental procedures to ensure compliance.

#### 2.1.3 Accountability



The Moray Council is committed to providing fairness and transparency in the way we procure and all those involved must be responsible for the discharge

of their duties in all procurement activities. In the procurement process there are three key distinguishable roles, they are:

- **The Head of Service**, who will determine the service procurement strategy, prioritising the procurement activity and ensuring that there are sufficient procurement authorised resources to meet their requirements. Given the strategic importance of the Department's role in the delivery of compliant procurement, an annual Departmental Procurement Action Plan (DPAP) will be developed with each Head of Service. This plan will be used to create a procurement activity plan for the forthcoming year.
- **The Lead Officer/Budget Manager**, who perceives the need and makes out the business case to obtain any necessary approval to spend, then commissions the appropriate procurement process. Lead Officers may also be assigned to a defined list of commodities and they will represent and take responsibility for the Council in all procurement matters pertaining to the assigned commodity.
- **The purchaser**, who fulfils the procurement role, is responsible for ensuring that the procurement process fully complies with [Financial Regulations](#), [Authorisation Policy](#), [Procurement Policy](#), Procurement Procedures and the direction outlined in the [Annual Strategy](#). Six levels of procurement responsibility (see section 2.2.1) have been identified. The Procurement team will support all procurements, however it should be noted that if procurement forms a significant part of a departmental officers remit they should be trained to Level 3 or 4.

**2.1.4 The Procurement Team** – The team is located within Payments Section, Economy, Environment and Finance Services to support and develop departmental procurement processes. This includes:

- Source requisitions on behalf of departments
- Place orders on behalf of departments
- Process payments
- Provide support for all regulated council procurements
- Manage the tendered procurements via PCS-T system
- Develop and collate procurement guidance material and information
- Provide procurement training
- Assist with the development of local contracts
- Co-ordination of internal collaboration
- Manage corporate procurement contracts
- Support Contract Management of key contracts and key suppliers
- Support contract administration and adoption
- Support and measure contract effectiveness via contract management arrangements with Lead Officers
- Promote the use of national, regional and local contracts
- Liaise with National and Sectoral procurement organisations

- Co-ordinate national initiatives
- Gather and collate evidence for the annual Procurement & Commercial Improvement Programme (PCIP)
- Assess and develop supplier relationships
- Benchmark procurement information
- Measure and report to Service Heads on procurement compliance issues
- Collate the data required under the Reform (Scotland) Act 2014 (the Act) – Annual Strategy and Annual Report

**2.1.5 Scottish Procurement & Commercial Directorate (SPCD) and Scotland Excel (SXL)** – SPCD is The National Centre of Excellence and is responsible for national public (Category A) contracts and [SXL](#) is the Local Authority Centre of Excellence and is responsible for Sectoral (Category B) contracts.

## **2.2 LEVELS OF RESPONSIBILITY**

2.2.1 The Council has developed a Centralised Procurement Operation which leaves the authorisation of expenditure, specification/commissioning of contract requirement, contract evaluation and contract management for commodities within the relevant department (with appropriate support from the Procurement Team). [Six levels of procurement](#) responsibility have been defined for officers who are involved in the process.

2.2.2 In addition to the above roles within procurement, certain [commodities have been assigned to Lead Officers](#). These named officers are responsible for leading on all aspects of procurement for the commodities assigned to them, as [outlined in the six levels of procurement](#) guidance.

2.2.3 The Council has developed a programme for all Managers, the Moray Management Methods which includes and defines the responsibility for Procurement.

## **2.3 TRAINING**

2.3.1 A procurement training programme is in place. The training will be provided by the Procurement Team supported where necessary by external provision. Lead Officers will be responsible for identifying and nominating those officers requiring training via the DPAP.

## **2.4 LEVELS OF EXPENDITURE**

2.4.1 The procedure to be followed for each area of spend will depend on the level of expenditure as shown below. The use of corporate contracts is mandatory and the Central Buying Team (responsible for the sourcing of internal requisitions) will always use a corporate contract in the first instance. At the same time, due recognisance must be paid to the [Authorisation Policy](#). Goods should only be purchased by a Budget Manager and at levels



appropriate to their budget. Where the Budget Manager delegates responsibility to another member of staff, authority for this must be recorded (via Accountancy Section). In addition to the authority to spend, only an Authorised Procurer has the authority to contract on behalf of Moray Council. Separate limits are in place for the contracting of consultants in order to provide greater visibility for Councillors and to ensure that the appointment could not be viewed as the employment of an individual by HMRC.

CONTRACT VALUE	MINIMUM REQUIREMENT
Less than £10,000	Written quotation
Between £10,000 & £50,000	3 quotations (via PCS Quick Quote)
Aggregate value over £50,000  Regulated contracts under the definition the Procurement Reform Act (£50,000 to Find a Tender (FTS))	Competitive tender procedure  Works contracts – procurement strategy to consider if PIN QQ is appropriate over this limit, subject to Head of Service approval
<b>Note: The Thresholds are inclusive of VAT where indicated below. This will include instances where VAT is initially payable but later recoverable. Where a purchase is exempt from VAT, or is zero rated VAT, no allowance needs to be made for VAT.</b>	
Goods & Services over £214,904 (inc VAT)	Find a Tender (FTS) advert – The Public Contracts (Scotland) Act 2015
Care & support services £663,540 (inc VAT)	“Light Touch Regime” Services
Public Works over £5,372,609 (inc VAT)	Find a Tender (FTS) advert – The Public Contracts (Scotland) Act 2015
Consultants below £25,000	<u>Additional approval</u> from Chief Financial Officer
Consultants over £25,000	<u>Additional approval</u> by Service Committee
Leasing agreements	Referral to Accountancy, approval from Chief Financial Officer
Note – these limits do not apply to the purchase of land	

- 2.4.2 When estimating the value of a procurement, consideration should be given to the total cost (over the period of need) including VAT and the potential for

aggregation across the organisation. Separating out a need to reduce the cost and therefore the process to be used is not an option.

Only procurements with an existing budget will be actioned, the availability of the budget will be checked with accountancy prior to work commencing. The only exception to this rule will be where grant funding can only be secured on the evidence of a procurement project.

- 2.4.3 Except where specific arrangements exist within a Service Level Agreement or for response maintenance to Council Housing, expenditure on new buildings or on the alteration, repair or maintenance of existing buildings may not be incurred without technical or professional advice having been sought from Property Services.

## **2.5 PROCUREMENT LEGISLATION**

- 2.5.1 The Procurement Reform (Scotland) Act 2014 was enacted on the 18<sup>th</sup> April 2016 and supports the Public Contracts (Scotland) Regulations 2015 & 2016. The Act provides for the regulation and issue of statutory guidance in relation to procurement.

Thresholds for Supplies, Services and Works (see 2.4.1 table) – these thresholds can change from time to time for up to date advice please contact the Procurement Team.

- 2.5.2 The Act introduced the concept of “light touch” for certain Health and Social Care contracts.

The Light Touch Regime (LTR) outlines specific rules for certain service contracts, that are generally of lower interest to cross-border competition. These services are specified in Schedule 3 to the Public Contract (Scotland) Regulations 2015. The procurement team will provide support and guidance for Lead Officers who are considering a light touch approach.

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### **3. IDENTIFYING NEED**

#### **3.1 DEVELOPING THE PROCUREMENT STRATEGY (PR08)**

- 3.1.1 Before considering individual procurement requirements, services will already be planning and developing their own service plans and/or commissioning strategies which will determine the overall direction for that service. As a result of these deliberations or as part of the process, there may be a need to consider procurement, whether that is the need for an exit strategy or replacement for a current procured service/supply or the creation of a new outsourced requirement.

In order to collate the procurement requirements for the Council, the Procurement Team will support the development of an annual Head of Service DPAP. This will incorporate the level of trained staff, the management of current contracts and the strategies for expiring contracts for the coming year, new contracts expected to arise under the capital plan for the coming year and any additional factors that will have a procurement impact.

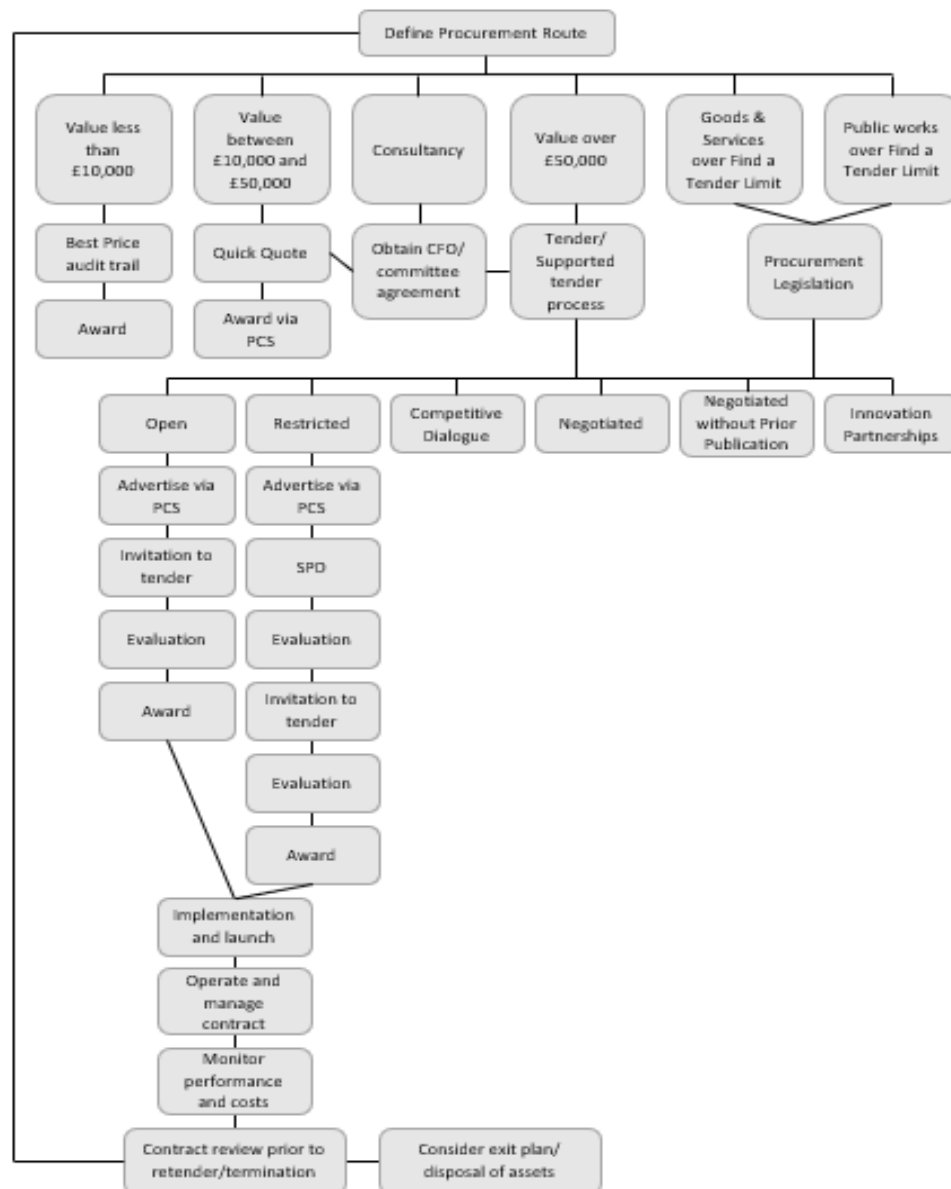
This information will be used to plan priorities, allocate resources, identify new training requirements and inform the whole procurement activity for the coming year. Once established, Lead Officers will then take responsibility for the next stage of each individual procurement (as outlined below) with support as necessary.

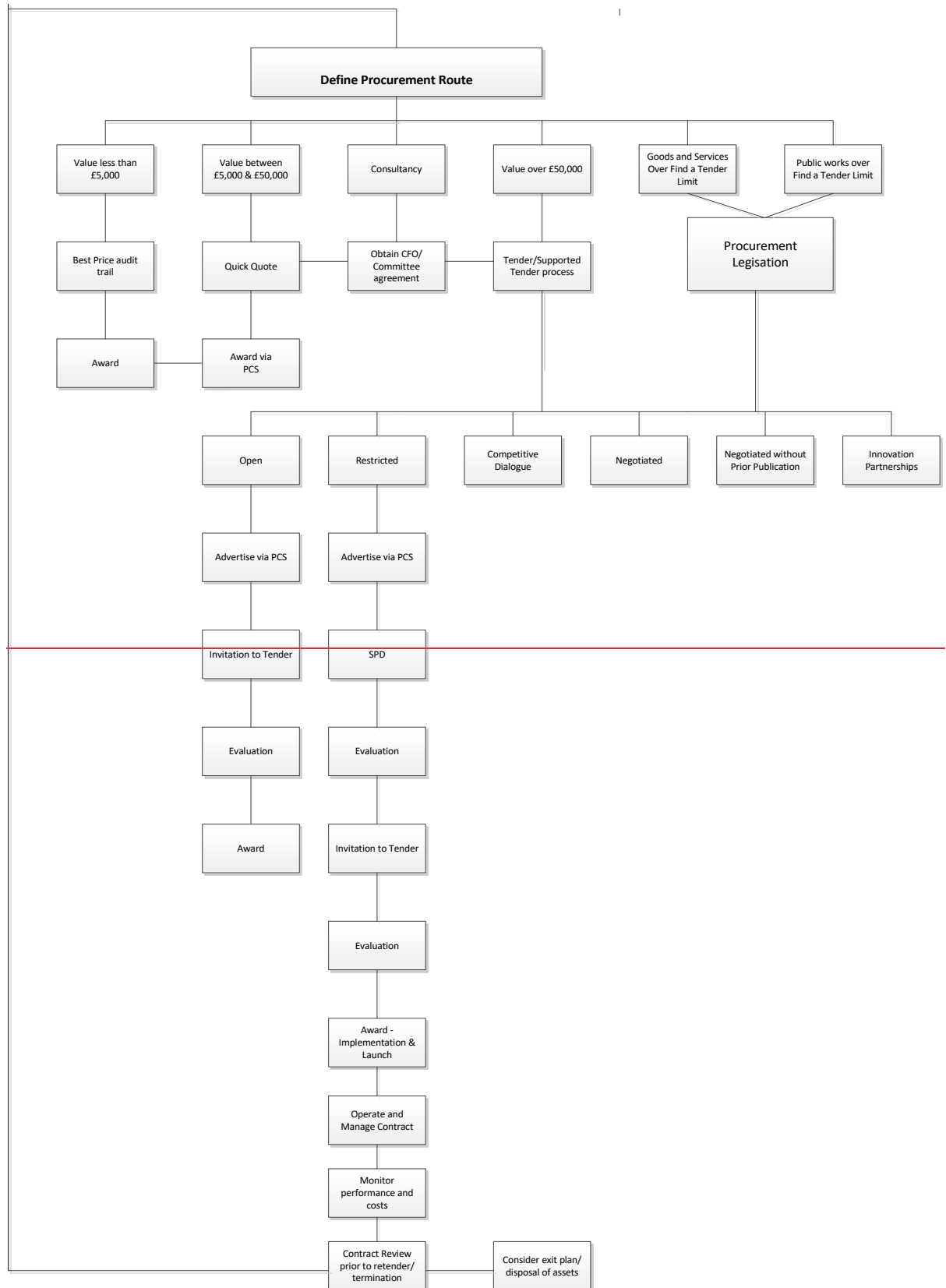
- 3.1.2 The Procurement Strategy for individual requirements (PR08) covers the whole procurement cycle from the identification of need to contract management and ultimate exit or replacement. In order to capture the decisions and actions taken throughout the cycle, a process has been developed which includes the creation and development of a Procurement Strategy document that will be updated throughout the life cycle of a procurement:

Chapter 1 - Rationale  
Chapter 2 - Research  
Chapter 3 – Procurement Route  
Chapter 4 – Result  
Chapter 5 - Reward

A Procurement Officer will support the Lead Officer to develop the strategy document, with appropriate authorisation at various stages. Once the tender has been awarded the PR08 will be formally handed over to the Contract Manager, for them to document performance through the life of the contract







## **4. TENDERING & QUICK QUOTE PROCESSES**

### **4.1 PROCUREMENT TEAM SUPPORT**

Procurement Team support should be sought and provided for all regulated procurement processes.

- 4.1.1 Following the DPAP process, Heads of Service will determine the contracts which will be tendered in the year. The allocated Procurement Officer for each of these contracts will make contact with the Lead Officer to initiate the project and establish a timetable and responsibilities. In addition to the annual process of allocation, Lead Officers may request support for unplanned procurement throughout the year using the [Request for Support form \(PR26\)](#).

### **4.2 QUICK QUOTE (QQ) AND TENDERING**

#### **4.2.1 QQ Process**

QQ is the Public Contracts Scotland (PCS) online request for quotation facility used by Moray Council for purchases between £10,000 and £50,000. The same considerations required for a competitive tender process should be employed when carrying out a QQ. The process itself is slightly different in that suppliers are invited to quote and the project is administered via PCS and not PCST. A minimum of three suppliers should be invited to quote (one of which should be a local supplier from the Moray area where possible). There is a supplier finder tool within the PCS system but only PCS registered suppliers are visible. Where a local supplier cannot be identified the Procurement Team will liaise with Moray Council's Community Wealth Building Officer to determine if they are aware of any suppliers who may exist (and may not yet have registered on PCS). The facility can also be used to carry out a mini competition from an existing framework contract. A [template](#) is available to support the production of a specification and contract documentation. Upon creation, the Procurement Team will review and publish the QQ to the nominated suppliers and be available to advise and guide in the evaluation if required. More complicated mini competitions can be processed and published via Public Contract Scotland Tender (PCS-T), the procurement team can advise on the appropriate route.

#### **4.2.2 Tendering Process**

All relevant tenders (excluding LTR) will be developed through (PCS-T). A Procurement Officer will be allocated to each procurement and they will administer the PCS-T project on behalf of the Lead Officer

PCS-T is an on-line system that has been introduced to help Scottish public sector organisations adopt standard processes for goods, services and works for a wide variety of contracts.

4.2.3 In addition to the standard requirements for a tender, public bodies now have a legislative duty to consider a wide ranging set of considerations for each tender above £4M. However as good practice we are asking our Lead Officers to include these issues for all tenders (where possible):

- Accessibility – open and transparent, stakeholder engagement
- Community Benefits – local focus on added value
- Sustainability (Economic, Social and Environmental)
- Equalities – fair and transparent, employment and service delivery equalities, equality impact assessment, etc
- Ethical Procurement – promote the use of fair trade
- Provision of food/animal welfare
- Reserved Contracts – For supported businesses where the main aim is the social and integration of disabled or disadvantaged persons and where at least 30% of those employed and engaged with the programme are disabled or disadvantaged.
- Health & Safety
- Fair Work First Criteria and Workforce – positive package of remuneration, fair work, training career breaks etc
- Climate change impact
- Community Wealth Building opportunities and impact including sub-contractor spend and local depot presence

#### **4.3 TENDER ADVERTISEMENT**

4.3.1 Voluntary use of a Prior Information Notice (PIN) can stimulate market interest in advance of the commencement of the procurement process itself and they allow potential bidders to prepare themselves to bid in time for the contracts announced. It can also enable reductions in timescales for competitions.

4.3.2 All tenders are advertised through [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk) (PCS) this will ensure that the Council meets its obligations to advertise fairly to all markets. The development of the Procurement Strategy (PR08) will determine the level of pre market engagement necessary to ensure that the market is fully informed of our process and the need for suppliers to register on PCS.

4.3.3 A tender submitted by post, e-mail or by hand will not be considered.

#### **4.4 VALUE FOR MORAY**

4.4.1 The Council's policy is to accept the tender which is the most economically advantageous (MEAT). The criteria of what is the most economically advantageous will always be a combination of price and quality criteria that



the relevant Lead Officer considers appropriate to the individual business and circumstances. The inclusion of Whole Life Cost (WLC) should be incorporated where appropriate.

#### **4.5 STANDSTILL PERIOD BEFORE CONTRACT AWARD**

- 4.5.1 After evaluation is completed, there can be a standstill period (10 or 15 days) between notification of award and contract commencement. This is a mandatory requirement for all contracts above the Find a Tender (FTS) limits but is optional for regulated contracts (see para 2.4.1). This period allows for all parties involved to consider the outcome and allows for feedback to the unsuccessful suppliers.

#### **4.6 POST AWARD DEBRIEF**

- 4.6.1 During and after the standstill period, unsuccessful suppliers are entitled to feedback regarding their tender submission. This can take the form of a simple question, a request for a detailed face to face supplier debrief, a Freedom of Information (FOI) question or indeed a complaint. To ensure all such enquiries are handled consistently the debrief process should be followed.

#### **4.7 EXCEPTIONS TO TENDERING AND QUICK QUOTE REQUIREMENTS**

- 4.7.1 The procedures set out in this document may be suspended in whole or part by the Chief Financial Officer and the Head of Service requesting the goods, services and/or works in respect of the following exceptions:-
- i) Where the Lead Officer has satisfied the Heads of Service that the requirement is not readily obtainable from more than one supplier and it can be demonstrated that no viable equivalent is available
  - ii) Where on occasion a Lead Officer has a need which requires a non compliant route to market i.e direct approach to a single supplier. The Procurement Team would make an initial assessment as to whether there are sufficient circumstances to warrant consideration of a non-compliant process. This will be subject to further approval from the Lead Officer's Head of Service with final approval from the Chief Financial Officer.
  - iii) The prices of the goods, materials or services are wholly controlled by trade organisations or government order and it can be demonstrated that no equivalent is available
  - iv) The requirements are subject to intellectual property rights and it can be shown that either no suitable compatible alternative is available, or that exposure to competition of an item covered by copyright, patent, or trademark would breach such rights.

## **5. CONTRACT MANAGEMENT**

### **5.1 CONTRACT AWARD**

- 5.1.1 The level of risk attached to each procurement the long term requirements from a contract will determine the level of activity from the Moray Contract Management (MCM) that will be required post contract award.
- 5.1.2 Utilising the functionality within PCS-T the Procurement Officer will create the contract award documentation.

### **5.2 BENEFITS TRACKING**

- 5.2.1 An Impact Statement is to be prepared following all contract awards. The statement should consider the whole impact to the Council of the contract including but not limited to any forecasted annual savings (budget and/or historical spend versus contracted costs) and give an indicated confidence level to achieving these savings. In addition to financial considerations the statement should also outline the non-cash benefits the Council can expect to achieve throughout the life of the contract.
- 5.2.2 The Impact statement will be used to inform summary of savings to be reported annually to Corporate Committee.

### **5.3 CONTRACT REGISTER - AWARD NOTICE**

- 5.3.1 An award notice is created on PCS for all Moray Council contracts. The Procurement Team also maintain a corporate contract register which, by regulation, has to be published. In order to ensure that the register data is accurate, it is essential that the team are provided correct information at award stage and kept informed of any changes throughout the life of any contract.

### **5.4 CONTRACT ADOPTION AND ADMINISTRATION**

- 5.4.1 Once the contract award has been made a meeting of all interested parties should take place, Lead Officer, Procurement Officer, supplier, departmental administration, Payments officers, stakeholders etc to agree the actions required to set up, administer and manage the contract. This should include discussions around but not limited to, order process, catalogue content, delivery, payment and any other issues that may impact on the implementation of the contract.

### **5.5 MANAGING THE CONTRACT**

- 5.5.1 All contracts should be subjected to robust contract management arrangements, this should be proportionate and will depend on the risk levels identified at the outset of the procurement process. The Moray Contract Management ([MCM](#)) with supporting [guidance](#) has been developed for use with all contracts. It is important that we work closely with suppliers to minimise the total cost of ownership and to maximise efficiencies throughout the Supply Chain. Within legal limits, both parties should be motivated and enabled to deliver additional value, over and above that which was specified in the original contract e.g. not simply extending the expenditure. The process should deliver benefit to both parties.
- 5.5.2 Regular contract monitoring information, as requested by the contract, should be provided by the Contractor which may include performance indicators and other relevant management information. Principal or main Contractors will be required to provide information relating to sub-contract spend to the Contract Manager. In cases of identified high risk contracts a Procurement Officer will also be assigned to support the Contract Manager.
- 5.5.3 Direct support from the Procurement team will be allocated for key suppliers (annual turnover with the Council over £500,000) and key framework contracts (annual spend with the Council over £500,000). Their role will be to collect the outcomes from the contract management process, by developing bespoke scorecards for each contract and completing a certificate of evidence and statement of performance.

## **5.6 CONTRACT VARIATION**

- 5.6.1 When an amendment to a contract is proposed by either the Council or the Contractor, advice should be sought from the Procurement Team prior to engaging with contractor. Only legally compliant variations will be allowed. Identified variations should then be discussed between the parties and agreement reached on a form of words. A Letter of Variation should be compiled following discussion with the Procurement Team. It can then be issued by the Lead Officer to the Contractor and once agreed by all parties a copy should be sent to the Procurement Team. In order to ensure that the data held by Procurement is accurate, contract managers should ensure that all contract updates are shared with the Procurement team (Procurement Sharepoint site). This should include any changes to personnel, contract values and the use of contracted extension periods.

## **5.7 FINANCIAL**

- 5.7.1 Financial regulations cover proposals that would involve incurring revenue expenditure which is not allowed for in the Revenue Budget. This includes contracts that were expected to be met within budget but have received tenders that take it above anticipated budget and response to emergencies.

Expenditure that is allowed for (within budget) does not need to be reported unless specifically requested by that committee.

## **5.8 NATIONAL, SECTORAL & COUNCIL WIDE CONTRACTS**

- 5.8.1 Moray Council is committed to supporting and using all national (Category A or O) and Sectoral (Category B) contracts providing they can show “Value for Moray”. A contract assessment process is carried out by the Procurement Team acting on advice from Departmental Lead Officers to assess each contract before making them available for council use. Lead Officers are encouraged to participate in the user/stakeholder data gathering which will assist in the development of such contracts and ensure that Moray’s requirements are considered prior to tenders being advertised.
  - 5.8.2 Once contracts have been assessed by the Procurement Team they are passed to the Chief Financial Officer for final approval. Once in place the council has a contractual obligation to use these [corporate contracts](#). There is a robust compliance monitoring process in place to ensure Departments are compliant.
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## 6. SUPPLIERS

### 6.1 SUPPLIERS

- 6.1.1 The focus on procurement and the introduction of formal tendering arrangements has resulted in an increase in the number of suppliers 'cold calling' departments within the Council looking for business and frequently offering deals to undercut our present suppliers. Please be aware that the council approach is **not** to accept cold callers and to refer all suppliers to the procurement help desk on 01343 563137. We will advise suppliers of our purchasing procedures.
- 6.1.2 [Approval for new suppliers](#) (those that are not on Financial Management System) must be obtained from the Procurement Team **before** an order is placed or in the case of a tender, at award stage.
- 6.1.3 All potential suppliers/contractors are advised to register with [www.publiccontractscotland.gov.uk](http://www.publiccontractscotland.gov.uk) - a free service, which the Council uses to advertise our contract opportunities. They should also be encouraged to complete, as fully as possible, their Supplier Profile on the site - this information can be used by buyers when searching for appropriate suppliers to be invited to submit quotes.
- 6.1.4 Market engagement in any tender process is key to successful competition and where necessary supplier development events may be required. Support for such events can be obtained from Supplier Development Programme. They provide a mix of online training courses and materials along with help to organise "meet the Buyer" events.
- 6.1.5 Moray Council also leads a Supplier Development Forum where the emphasis is around developing local markets to be tender ready for public procurements. Delivery plans are shared in order to target local interest in forthcoming opportunities.

### 6.2 CONSULTANTS

- 6.2.1 Consultancy is a service which the Council commissions when it requires external advice on appropriate options. Where the costs of appointing an external consultant does not exceed £25,000 the Chief Financial Officer shall have delegated authority to approve the appointment. In all other cases approval of the Service Committee shall be required. Procurement of any consultants must follow the Council's procurement procedures. Therefore for estimated expenditure between £10,000 and £50,000, 3 quotes must be obtained or reference made to existing contracts.

## **7. PURCHASE TO PAY PROCESS**

### **7.1 COUNCIL ORDERS**

- 7.1.1 All purchases must be backed up by a formal Council order. The Council operates a Centralised Procurement Operation which includes a central buying team for the sourcing and processing of standard orders. Guidance on central buying team can be found [here](#)

### **7.2 METHODS OF ORDERING**

- Requisition system
- Purchasing Card requisition – transactional necessity only
- TRANMAN/SPYDUS/SERVITOR/ELMS2 - defined orders
- Emergency Manual Order

- 7.2.1 REQUISITION SYSTEM - Requisitions for ad-hoc purchases (excluding Tranman, Servitor, Spydus and ELMS2) must be placed using the requisition system. The central Processing unit within the Procurement Team will source and place the order through the financial management system on behalf of the originator, authorisation of this is then carried out by the appropriate budget manager. Guidance on the use of the requisition system can be found [here](#) and authorisation can be found [here](#).

- 7.2.2 PURCHASING CARD - Purchasing cards should be used where there is a transactional necessity i.e. emergency, secured web site purchase etc. As a result of this approach the transactions processed should be low in value and kept to a minimum. To avoid unnecessary administration only transactions above £ 10 will require online authorisation by Budget Managers. A full list of transactions by card holder will be provided to Budget Managers quarterly to allow for further scrutiny.

Guidance on using the Purchasing card system can be found [here](#) and the system itself [here](#)

- 7.2.3 [EMERGENCY MANUAL ORDER](#) - Manual orders should not be used. If, however, exceptional circumstances dictate the use of this form, please contact the Procurement Team for further information.

### **7.3 PAYMENT**

- 7.3.1 PURCHASE MANAGEMENT SYSTEM (PMS) - the payment for orders originating in the PMS is done automatically (assuming the goods have been receipted) by the Payments Team, as the authorisation is done at the order stage. Suppliers are asked to submit PMS invoices directly to this team. All invoices should be in sterling (GB Pounds) only and quote the correct order number. These invoices will be input into Accounts Payable (AP) using the information provided at the ordering stage. However should the price not

match with the order details, the Budget Manager will be asked to decide the appropriate course of action.

- 7.3.2 PURCHASING CARDS – Once a purchasing card has been used the transaction will appear on the Bank's system. The card holder should complete the data required on the system by adding the FMS general ledger code for the purchase. The system will seek Budget Manager authorisation of the transaction before transferring the details to the FMS General Ledger.
- 7.3.3 EXTERNAL SYSTEMS - TRANMAN (Direct Services), SPYDUS (Libraries), SERVITOR (Housing Building Services) ELMS2 (Occupational Aids). The payment process for each of these systems can differ and referral should be made to the system administrator for guidance.
- 7.3.4 MANUAL ORDER - if for any reason a manual order is required the payment process should follow the arrangements for AP processing below.

ACCOUNTS PAYABLE - Before certifying an invoice or payment the authorised officer shall be satisfied that:-

- the works, goods or services to which the account relates have been received, carried out, examined, or approved and the relevant expenditure has been properly incurred.
- the prices, extensions, calculations, trade discounts, other allowances, credits and value added tax are correct.
- appropriate entries have been made in inventories, stores records or asset registers as required.

All duly certified AP invoices must be processed, authorised and coded, and then passed as soon as possible to Payments Section, who will, on behalf of the Chief Financial Officer, arrange for their examination to the extent that they consider necessary. For this purpose, they shall be entitled to make such inquiries and to receive such information and explanations as they may require. Invoices that do not contain a purchase order number will not be accepted.

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## **8. CONTRACT EXIT PLANNING**

- 8.1.1 Given the time it can take to carry out the procurement process, an exit plan should be created for each contract and documented in the tender documentation (if necessary) and the Procurement strategy PR08. As a contract end can be planned or unplanned it is important that the tender includes an exit strategy to cover either scenario, the Lead Officer should ensure that plans are in place to either complete the contract or replace.
  - 8.1.2 The annual DPAP process will capture expiring contract data for the coming 12 to 18 months to ensure that the exit strategy is confirmed and resources allocated to manage the change.
  - 8.1.3 Any exit strategy should include the disposal of any equipment which should be disposed of in accordance with [Financial Regulations Asset Management](#).
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## **9. PROCUREMENT QUALITY MEASUREMENTS**

### **9.1 PERFORMANCE MEASUREMENT**

- 9.1.1 Procurement services in the public sector are under considerable pressure to deliver performance improvements and to achieve financial savings through more efficient and coordinated service delivery. National developments driven by the Scottish Government are being measured along with local procurement activity.
- 9.1.2 The Procurement Reform Act (Scotland) 2014 requires the development of an annual Procurement Strategy that sets out how the Council will achieve its procurement aims. The Act includes a wide ranging set of new duties for all public bodies which will require a greater transparency and therefore improved communication between the Lead Officers and the Procurement Team. A subsequent annual report is also required to highlight and comment on the Council's performance against the strategy aims.

### **9.2 PROCUREMENT & COMMERCIAL IMPROVEMENT PROGRAMME (PCIP)**

- 9.2.1 The PCIP assists organisations improve their structure, capability, processes and ultimately performance, by attaining the best standards that are appropriate to the scale and complexity of their business.

The PCIP focuses on the outcomes of our policies and procedures which drive procurement performance and the results that they deliver.

It is more important than ever, in the challenging economic climate we all face, that public procurement is conducted as effectively as possible. Better procurement can help us do more with less and the PCIP represents a real opportunity to ensure the promotion of efficiency and effectiveness and continuous improvement.

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## **10. RECORD MANAGEMENT**

### **10.1 EFFECT ON PROCUREMENT**

10.1.1 Procurers should note that the Council is bound by the provisions of the Freedom of Information (Scotland) Act 2002 and General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act 2018. All information submitted to the Council may therefore need to be disclosed and/or published by the Council in compliance with the FOI Act (the Council reserves the right to decide what is or is not required by the Act, in compliance with any other law, or because a court of some other statutory body (including the Scottish Information Commissioner) orders the Council to do so). In addition preserving personal data collected by the procurement process or the resultant relationship with Contractors must comply with the GDPR duties.

### **10.2 FOI EXEMPTIONS**

10.2.1 There are two types of [exemptions](#), absolute and non-absolute. If an absolute exemption applies, we are not required to release the information at all. If a non-absolute exemption applies, then we need to apply the public interest test (refer to Legal Services) before deciding whether to release information i.e. if the public interest in releasing it is stronger than the public interest in keeping it confidential, then we must release the information.

### **10.3 RECORDS MANAGEMENT**

10.3.1 The Council has an Information Management Policy and a Records Management Policy and Strategy. All records should be managed to ensure consistency and accuracy. The Procurement Team are responsible for developing the templates which will be used by all staff undertaking procurement and for the review and governance of these records. All procurement records will be retained according to an agreed retention policy – this will ensure compliance with Freedom of Information (Scotland) Act 2002, Data Protection Act 2018, General Data Protection Regulation (EU) 2016/679 and Public Records (Scotland) Act 2011 – and ensure that only up to date and accurate records recording decisions taken on procurement, contract award and management will be retained. Guidance on record retention should also be included in instructions to potential tenders as Council responsibilities are likely to extend to the contractor. All procurement records should be kept in accordance with the appropriate section of the corporate classification scheme – Procurement.

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## **11. CONSTRUCTION PROCUREMENT**

### **11.1 CORPORATE CONSIDERATIONS**

In order to ensure that all procurement issues relating to the construction industry are approached consistently, a small group of officers (Construction Operational Group) has been formed to meet regularly and consider issues on a corporate basis and to share the resultant decisions and agreed processes.

#### **11.2.1 ALTERNATIVE ROUTES TO MARKET**

Engagement with the construction market is crucial to achieving best value and a successful contract outcome. In order to allow for consideration of the most appropriate route to market for each construction project a number of options have been developed (other than the normal tendered contract which should be considered:

Option 1 – Framework with subsequent award via PCST – with the potential to rank

Option 2 – Framework with subsequent award via QQ – with potential to rank

Option 3 – Dynamic Purchasing System

Option 4 – Increase in QQ limit – with PIN supplier selection process

Option 5 – Category “O” contracts

Guidance about the potential routes have been developed ([link](#)) and will be reviewed from time to time by the construction group. The decisions taken in any project should be recorded in the project PR08.

11.2.2 Included in the above options is the potential to do a supplier selection QQ for projects valued over the current QQ limit of £50,000. Where considered appropriate this route can be used once prior authorisation has been sought from the Head of Service (subject to Procurement endorsement).

#### **11.3.1 LESSONS LEARNED/POST PROJECT REVIEW**

All projects should be subject to a post contract review:

- Procurement has a process in place to gather two way feedback on any procurement process over the £50K tender limit which reports back to the procurement team and Service Head. Actions arising from

the review are incorporated into the procurement operational improvement programme.

- Construction services will carry out their own post project review that concentrates on the quality of contract outputs at two stages – Practical completion stage and End of defect stage.

The results of both reviews will be considered by the Construction Operation Group (quarterly) to ensure that lessons learned are shared. The group will refer any negative result to Service Heads for independent assessment of the findings, as this information will be used by the Council as reference material for the contractor should they enter into any future tender process.

Major projects are reported to Transformation Boards and this would include Post Project reviews. The Asset Management Working Group would expect a Post Project review report for any project over £250,000 not otherwise reported to be presented to that group.

#### **11.4 CONSTRUCTION PIPELINE PLAN**

The Group will assume responsibility for the production and publication of the Moray Construction Pipeline plan (as sought by Scottish Government Construction review and the resultant Construction Review Delivery Group (CRDG). This will be used by the Group to collaborate across services, monitor progress, report performance.

#### **11.5 RETENTIONS**

Retentions should be used as appropriate. The Construction Group will monitor the CRDG outputs to ensure that our retention policy stays in line with national policy.

#### **11.6 WHOLE LIFE COSTS**

Consideration of the use of the appropriate whole life costing tools should be made for each project – however it may not be appropriate for all or indeed any opportunity. The need should be assessed when developing the project PR08.

#### **11.7 ABNORMALLY LOW TENDERS**

To protect the council against awarding an abnormally low tender that we think is unsustainable; where necessary, the PR08 and specification should

include reference to the process by which the tender value will be assessed. This may be a percentage of expected budget/estimated costs below which tenders will be challenged. The contractor should be asked to provide more information about how they reached their costs and if still considered to be abnormal, the tender should be rejected.

#### **11.8 SUPPLIER ENGAGEMENT**

Given the competitive nature of the construction market, early engagement with contractors should be considered. The method used is not to be prescribed and could include roadshows, training surgeries (PCS & PCST) meet the buyer events. In addition to the locally supported events, Suppliers can also make use the various training tools offered by the Supplier Development Programme.

Supplier interviews can also be used to evaluate elements of the tender – important to remember that these should be fair and transparent with a set of formatted questions for all.

#### **11.9 SUPPLY CHAIN MANAGEMENT**

It is important to recognise when a main contractor appointed by the Council will rely on sub-contractors that we manage the chain to ensure fair treatment, particularly around the issue of payment. How this is done will depend on the value and complications of individual projects but could include the use of contract clauses requesting supply chain data on a regular basis.

All relevant tenders will contain a condition that all Tier 1 contractors must collect and share sub-contractor spend with the council. The contract manager will be responsible for collecting this data as part of the normal contract management arrangements.

Project Bank Accounts can be an option for high value contracts with significant reliance on sub-contractors to support the payment process for sub contractors but are not recommended.

#### **11.10 SUSTAINABILITY**

Construction contracts will be developed to consider the duties outlined in the Council Procurement Strategy for social, economic and environmental issues. Wherever possible specifications will call for conditions that meet our

overall sustainable objectives and outcomes will be reviewed at the post project review stage to ensure that good practice is shared and incorporated into future guidance material

#### **11.11 TRAINING**

The specialist nature of both construction and procurement does require a shared knowledge base particularly around the use of market contracts such as JCT & NEC. Whilst resources may not allow specialists that overlap across both disciplines we will, wherever possible, share best practice, through the Construction Operational Group, by promoting the use of internal workshops/shared best practice.

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## **12. PROCUREMENT TEAM CONTACT DETAILS**

Procurement Helpline 01343 563137, email [procurement@moray.gov.uk](mailto:procurement@moray.gov.uk)

Orders Helpline 01343 563399, email [orders@moray.gov.uk](mailto:orders@moray.gov.uk)

Payment Helpline 01343 563144, email [accpay@moray.gov.uk](mailto:accpay@moray.gov.uk)

### **RELATED LEGISLATION:-**

[Statutory Guidance](#)

### **ADDITIONAL GUIDANCE :-**

Scottish Government Procurement [Journey](#)

Scottish Government Construction Procurement [Construction Handbook](#)

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