

**REPORT TO: POLICY & RESOURCES COMMITTEE ON 24 JUNE 2008**

**SUBJECT: PROCUREMENT – PROGRESS REPORT**

**BY: CHIEF FINANCIAL OFFICER**

**1. REASON FOR REPORT**

- 1.1 To provide the Committee with a progress report on Procurement and in particular report on proposals to measure procurement performance.
- 1.2 This report is submitted to Committee in terms of Section A(37) of the Council's Administrative Scheme relating to procurement.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Committee approve the proposed performance measures referred to in this report.**

**3. BACKGROUND**

- 3.1 The Policy Committee agreed to further investment in its procurement arrangements on 5 March 2008 (para 10 of the minute refers) for e-procurement and membership of Scotland Excel. A summary of progress against Scotland Excel contract assessment is at **Appendix 1**.
- 3.2 The committee also agreed that measurements would need to be developed to monitor performance. 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. The Scottish Government now have detailed spending and supplier data from the majority of public sector organisations in Scotland. This is the first time that public sector spending analysis of this level of complexity has been developed at a national level, not only within Scotland, but across the UK and the rest of Europe.

- 3.3 From this data, the Scottish Government has identified clear opportunities for regional, sectoral and national collaboration on a number of commodities and have negotiated better deals through collective public spending. The government is now working towards the elimination of inefficient buying behaviours such as duplication of effort and price variations caused by disconnected contracting arrangements. To this end it has identified a number of Best Practice Indicators that all public sector organisations are to supply information on. Using these indicators, procurement teams from the public sector will be able to monitor their own progress in improving efficiency, collaboration, compliance with contracts and e-procurement and report that progress both internally to Committee and externally to the Scottish Government.

#### 4. **PROPOSAL**

- 4.1 It is proposed that the Council use a range of indicators to measure:

Efficiency Savings  
Customer Satisfaction  
Procurement Management

These measures are shown in **Appendix 2**. It is proposed that item numbers 1.1, 1.2, 1.3, 3.4, 3.8 and 3.9 will be reported directly to this Committee and that all of the measures will be provided to Members via the electronic information site. The database of information being collected by the Scottish Government will also enable benchmarking against other Councils and a comprehensive report on the relative position of the Council will be provided as soon as that information becomes available.

#### **5. SUMMARY OF IMPLICATIONS**

**(a) Corporate Development Plan/Community Plan/Service Improvement Plan**

The Corporate Development Plan and the F & ICT Service Improvement Plan both support the sound governance at strategic, financial and operational levels, sound management of resources and competitiveness, trading and discharge of authority functions.

**(b) Policy and Legal**

The Council policy on procurement was agreed by policy committee on 29 August 2007 and the recommendations in this report are in line with that policy.

**(c) Resources (Financial, Risks, Staffing and Property)**

Adoption of the e-procurement system and progress with the implementation of the procurement strategy will assist the Council in achieving procurement efficiencies.

**(d) Consultations**

None

**6. CONCLUSION**

- 6.1 That Committee approve the introduction of performance measures to monitor procurement performance within Moray Council and note the progress on contract assessment.**

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Background Papers:	Procurement Team
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