

TOTAL CASH SAVINGS ACHIEVED THROUGH PROCUREMENT 2014/2015 (2013/2014)			
Category of saving	Number of contracts	Recurring Annual Savings £M	2014/15 Savings £M
1 Savings - budget not adjusted	31 (33)	0.750. (0.747)	0.709 (0.723)
2 Savings - budget adjusted	28 (22)	0.671. (1.083)	0.649 (1.055)
Total		1.421 (1.830)	1.358 (1.778)
3 No baseline – savings cannot be established	26 (25)		
4 No savings anticipated	257 (88)		
Savings attributable to the Council's membership of Scotland Excel			
1 Savings - budget not adjusted	10 (17)	0.136 (0.199)	0.132 (0.186)
2 Savings - budget adjusted	8 (6)	0.056 (0.061)	0.047 (0.038)
Total		0.192 (0.260)	0.179 (0.224)

CONTRACT STATISTICS 2014/15 (2013/14)						
Contract Category	A - National Scottish Procurement	B - Sectoral Scotland Excel	C - Local Moray Council	C1 - Local collaborative	O - National Buying Solutions	Total
Total live at any point in year	14 (13)	39 (44)	262 (256)	14 (16)	16 (14)	345 (343)
New for year	2 (4)	6 (11)	45 (52)	0 (1)	2 (1)	55 (69)
Expiring during year	1 (2)	11 (15)	80 (51)	5 (1)	4 (2)	101 (71)
Awards outstanding 1/4/14	N/A	N/A	7 (8)	N/A	N/A	7 (8)
PROCUREMENT ACTIVITY 2011/12						
Publiccontractscotland Award Notices						23
Publiccontractscotland Quick Quotes Notices from framework						37
Publiccontractscotland Quick Quotes Awards non framework						76

SPEND DATA – data taken from national spend Hub								
By Supplier Size	11/12 %	12/13 %	13/14 %	14/15 %				
Not known	2.29	6.00	4.69					
Small < 50 employees	15.45	13.14	14.13					
Medium 50 to 249	36.97	32.72	27.56					
Total for SME	52.42	45.86	41.69					
Large >250 employees	45.28	47.85	43.63					
By Geography								
Moray	28.5	24.33	24.57					
Aberdeen (City & Shire)	13.25	10.76	9.07					
Highland	4.47	3.28	2.62					

NON CASH BENEFITS – CATEGORISATION				
NCB	Category		Sub category	Comment
1	Cost Avoidance	a	Price versus market savings	from a contract - where there wasn't one before
		b	Key commodity RPI	comparing contract cost to market drivers for the contract
		c	Price increase rejection	contract allowing for price rejection for specific reasons
		d	Cost removal - alternative results in no procurement	procurement exercise that result in removing an element of existing arrangement
		e	Added value - more for our money	during the life of the contract
		f	process re-design	exercise results in a change of process
		g	Early payment discount	
2	Collaboration/tender process	a	Savings in procurement development time	Benefits report guidance gives outline of potential savings
		b	PCS-T	As above
		c	Insourcing	exercise that results in bring service in house with potential efficiency savings
3	Rationalisation/Demand	a	Specific contract issues	delivery, standardisation of supply, co-ordinated approach
		b	Rationalised lists	simplified process, standard quality
		c	Rebates - based on volume	

NON- CASH BENEFITS – CATEGORISATION (CONT)				
NCB	Category		Sub category	Comment
4	P2P process	a	e-invoicing	could be cash but could also provide non cash benefits - quicker, less errors etc
		b	Punch out	immediate access to supplier maintained catalogues
		c	Electronic catalogues	better management of price changes
5	Environmental	a	Greenhouse gases	CBC around reducing carbon/greenhouse gases
		b	Waste	reducing landfill/
		c	Energy	Alternative energy sources
		d	Sustainable construction	
6	Social	a	Reserved contract	Government framework, local contract
		b	Public Social Partnership	
		c	Sub – contracting programme (local)	Contract approach to sourcing sub-contractors
7	Community	a	Apprentices	Creation of jobs
		b	School visits	Career education
		c	Training	Potential sharing of skills
		d	Fair Trade	Fair sourcing of requirement
		e	CBC clause – wide ranging potential	Could be anything

2015/2016 Strategic Procurement Targets	
1	Efficiency savings Total Savings Target = £1M
2.	Develop a method of recording contracts with non-cash benefits
3.	Trial run of new PCA (PCIP) to determine the impact of changed process on the evidence required
4.	Impact of Reform Act 2014 - review current processes to ensure all aspects of Act are incorporated and can be reported on (as required)
5.	Develop a Procurement Strategy that meets the needs of the Reform Act guidance
6.	Establish Procurement Level 3 & 4 consultation group - to review and inform the strategic procurement direction
7.	Review the current Procurement Business Case process (PR08) in line with the Councils Gateway Process to consider and action any duplication or overlaps.
8.	Build on the recently form Supplier Development Forum (Economic Development, Business Gateway & Procurement) - to support each other's involvement with the market. This work should reference our SME Strategy Action Plan
9.	Widen our data measurements to include Supplier involvement at pre tender stage
10.	Launch the Moray Contract Management Model - guidance, training and documentation
11.	Implement Scottish Government e-invoicing solution (for Financial Management System)
12.	Improve on the published data for Lead Officers (spend, trends and contract management issues)
13.	Carry out a review of the Dept Procurement Action Plan process

2014/2015 Strategic Procurement Targets		Results/Comments
1	Efficiency savings Total Savings Target = £1.2M	Total Savings achieved £1.358M (see APPENDIX 1a)
2.	The 2013 PCA score continues to move further into "improved performance" (60%)	2014 Score achieved 63% (see APPENDIX 3)
3	Create Head of Service Procurement forum - to consider cross departmental issues and requirements	Procurement updates to SMT/CMT quarterly
4	Develop an communication network to encourage two way dialogue with external interested parties	Facebook page established. Internal news page established
5	Develop a SME supplier strategy	Strategy in place - to be incorporated into Procurement Strategy (to meet Reform Act requirements)
6	Data Recording and measurement. To give better and easier access to Council data. To develop a method of recording non financial benefits	Contract Register now linked to report writer which will give easier access to defined data. Non cash benefit (NCB) categories established and register being amended to hold NCB data - to be reported annually to P & R
7	Create an annual PIN outlining the Council's contract opportunities for the next 18 months To be advertised externally - to inform the market and encourage attendance at the April procurement event To be advertised internally - to indentify cross department opportunities	PIN advertised, successful event held April 2014. Second PIN (for 2015) now advertised, supplier surgeries planned for key contracts throughout the year. Internal PIN advertised 2014 to establish key stakeholders across departments. Attended national "Meet the Buyer" event June 2015 (Moray Council stand)
8	Instigate a Contract Management Project - to review and consider current processes and responsibilities	Model developed and consultation completed. Model to be launched with new guidance, training material and documentation Scottish Government e-contract management tool (e-CM) in place and live for new awarded contracts - work has started to incorporate previously awarded projects.

2014/2015 Strategic Procurement Targets (cont)		Results/Comments
	Instigate a Demand Management Project - to develop a procedure for the of capture of non contractual demands which will allow for the consideration of future needs (including potential rationalisation)	Process in place to consider non contractual demands (via Buying team). Spend data reviewed regularly to identify potential opportunities. Contractual rationalised lists developed for Education
10	Develop a formal post procurement review procedure- lessons learned	Process in place - summary of issues being recorded. Property Services Procurement Improvement Programme in place - developing lessons learned issues
11	Request a system development plan for the Councils stores systems (for procurement, orders and payment) Develop a gap analysis on functionality - comparing with FMS Support potential developments to improve electronic processing on all systems	Stores report completed – currently being considered by Heads of Service

Procurement Capability Assessment (PCA) 2014

Organisation The Moray Council

Date of Assessment 6th October 2014

SECTIONS

Sections		Assessed Status			
		Developing	Conformance	Improved Performance	Superior
Procurement Leadership and	60%				
Procurement Strategy and Objectives	80%				
Defining The Supply Need	61%				
Procurement Commodity / Project Strategies & Collaborative	64%				
Contract and Supplier Management	48%				
Key Purchasing Processes and Systems	47%				
People	89%				
Performance Measurement	56%				
Overall Procurement Status for the Organisation	63%				
		Developing	Conformance	Improved Performance	Superior Performance

DEPARTMENTAL PROCUREMENT ACTION PLAN (DPAP) SUMMARY 2014/15						
No of trained/ training Officers	No of Commodi ties	No of current contracts	No of expiring contracts	Focus areas 2014/15 (as outlined in previous report)	Update 2014/15	Focus Areas 2015
Chief Executive						
3/0	13	8	3	Tenders for Printing, MFDs & Advertising (C1 - Moray taking the lead)	Process complete	Retender of MFD contract underway
Legal & Democratic Services						
2/0	11	5	2	Finalising digitisation of burial records tender	Complete	
Financial Services						
32/2	9	8	2	Bank Tender Procurement Action plan	Complete Complete	Payroll/HR system replacement Reform Act Impact
HR & ICT Services						
9/8	29	56	19	The outcome of the ICT Gateway Reviews are to be shared with procurement to identify support requirements. Need for a corporate agency staff contract originating from both Housing DLO and Lands and Parks has brought about a review on spend in this commodity and options are due to be considered	Work ongoing	Digital Group outcomes

DEPARTMENTAL PROCUREMENT ACTION PLAN DPAP SUMMARY (2014/15) (cont)						
No of trained/training Officers	No of Commodities	No of current contracts	No of expiring contracts	Focus areas 2014/15 (as outlined in previous report)	Update 2014/15	Focus Areas 2015
Community Care Services						
11/1	18	50	39	Strategies currently under review for major service provision areas(physical & sensory, learning disabilities, mental health) resulting in delays for number of contracts that were due for renewal until the strategies are agreed	Further extensions required	Discussions re impact of ongoing extensions underway. Impact of SDS and integration to be considered
Integrated Children & Family Services						
49/10	16	37	33			A number of the expiring contract related to child specific requirements – as such the current provision will be reviewed rather than retendered
Schools and Curriculum Development Services						
1/3	15	8	4			Project underway to develop rationalised lists for schools Education covered by SXL contracts
Lifelong Learning Culture and Sport Services						
2/4	26	6	3			Elgin High School replacement (via Hubco)

DEPARTMENTAL PROCUREMENT ACTION PLAN DPAP SUMMARY (2014/15) (cont)						
No of trained/ training Officers	No of Commodi ties	No of current contracts	No of expiring contracts	Focus areas 2014/15 (as outlined in previous report)	Update 2014/15	Focus Areas 2015
Housing & Property Services						
46/13	125	74	29	<p>Procurement team working closely with Property officers to review lessons learned from the work done on the numerous frameworks completed</p> <p>The multi supplier frameworks for Planned Maintenance and Reactive Repairs and the Specialist Works for Property Maint & Reactive Repairs and are due to be amalgamated and retendered in the autumn.</p> <p>Construction Group in place to develop a corporate construction/procurement strategy</p>	<p>Improvement action plan in place</p> <p>In evaluation</p> <p>Limited progress</p>	To be re-established
Environmental Development Services						
6/3	19	22	5			
Environmental - Direct services						
47/6	153	63	27	<p>A number of new procurement projects underway</p> <p>Construction Group in place to develop a corporate construction/procurement strategy</p>	Limited progress	To be re-established

DEPARTMENTAL PROCUREMENT ACTION PLAN DPAP SUMMARY (2014/15)

The Department Action Plan was introduced in 2010 and has provided a vehicle for the consideration and planning of procurement for the coming year. However, since its introduction, we have come to recognise that one defined process does not fully meet the needs of each Service. As you can see from the statistic above there is a wide range of commodities led by each service and indeed a considerable variation in the number of contracts managed.

The time taken to complete the process also suggests a need for a review with only 4 completed in January. It was May before the process was completed for all Services.

A review will be carried out with each Service Head to develop a more tailored and therefore more effective process that will consider in detail the issues facing each service in relation to procurement and commissioning.

2015 Forward Plan of Contract Opportunities with The Moray Council		
May 2015 to September 2016		
Contract Title	Department	Indicative Value
Anti-Virus Software	ICT	To be determined
Inspection and Servicing of Fixed Electrical Equipment	Property	£23,000
Electrical testing of fixed wiring	Property	£161,000
Maintenance of heating systems	Property	£1,000,000
Water and Hygiene control	Property	£257,000
Installation of Timber Windows	Property	£1,000,000
Maintenance of lift plant	Property	£60,000
Central heating upgrades	Property	£1,000,000
External rendering	Property	£2,000,000
Legionella Risk Assessment	Property	£200,000
Servicing of Gas Catering Equipment and School Gas Equipment	Property	£117,296
Supply of Fresh Meat	Environmental Services	To be determined
Gully waste water treatment	Environmental Services	£155,000.00
Paper, Card & Plastic Recycling	Environmental Services	To be determined