

Item: 13

Policy and Resources Committee: 22 November 2022.

Procurement Annual Report.

Report by Corporate Director for Strategy, Performance and Business Solutions.

1. Purpose of Report

To present the Procurement Annual Report for 1 April 2021 to 31 March 2022.

2. Recommendations

The Committee is invited to note:

2.1.

That, in terms of Section 18 of the Procurement Reform (Scotland) Act 2014, the Council must prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of the financial year to which the report relates.

2.2.

That the Council is required to notify the Scottish Ministers when the Procurement Annual Report has been published.

2.3.

That the Scottish Government has issued guidance and a template which public authorities can use to report on procurement performance, with an additional template to be used from 2022 onwards.

It is recommended:

2.4.

That the Procurement Annual Report for 1 April 2021 to 31 March 2022, attached as Annex 1 to this report, be approved for publication.

3. Background

3.1.

The Council published its Procurement Strategy, as required by the Procurement Reform (Scotland) Act 2014 (the Act), in December 2016, with updates published in January 2019 and most recently in June 2022. In order to report compliance with its Procurement Strategy and the Act itself, the Council must publish an annual report.

The Council is required to notify the Scottish Ministers when the Procurement Annual Report has been published.

3.2.

There are 11 themes identified in the Procurement Strategy for the period ending 31 March 2023 as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.
- Governance.
- Contract management.
- Communication.
- E-Procurement.
- Monitoring and measurement.
- Guidance.
- Training.

3.3.

The six key priority areas where targets have been identified and are attributable for the Procurement Strategy for the reporting period ending 31 March 2023 are as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.
- Contract management.
- E-Procurement.

4. Procurement Annual Report

4.1.

Public Authorities have a statutory duty to report annually on progress made on meeting the objectives as identified in their published Procurement Strategy.

4.2.

Guidance and a template have been issued by the Scottish Government to report on procurement performance from 2017/18 onwards. This guidance and template have been followed for the Council's Annual Procurement Report. The reporting period for this fifth annual report is from 1 April 2021 to 31 March 2022.

4.3.

The following sections as described in the guidance issued by the Scottish Government are mandatory reporting requirements:

- Section 1 – Summary of Regulated Procurements Completed for the Reporting Period.
- Section 2 – Review of Regulated Procurement Compliance.
- Section 3 – Community Benefit Summary.
- Section 4 – Supported Businesses Summary.
- Section 5 – Future Regulated Procurements Summary.

4.4.

In addition to the required information set out in the Act, the Annual Report includes performance reported against strategic indicators as detailed in the Council's Procurement Strategy 2021 to 2023.

4.5.

To evidence progress against the strategic targets and the new duties introduced by the Act, the published Annual Report details the forms of measurement taken. The statistics presented in the Annual Report provide the evidence which should, over time, show how the Council is progressing against both the national and local objectives.

4.6.

Targets have been set in the Council's Procurement Strategy and progress towards these has been noted in the Procurement Annual Report and its appendices, attached as Annex 1 to this report.

4.7.

The Scottish Public Procurement Notice 7/2020 advises that a contracting authority which expects to have procurement expenditure of £5 million or more in the next financial year must, before the start of that year, review its procurement strategy, make such revisions to it as the authority considers appropriate and publish its revised strategy. A consultation exercise took place in late 2021 / early 2022 to review the current Procurement Strategy, and an updated version was published in mid-2022.

4.8.

The Strategy has now been further updated for the period 2022 to 2023 with the intention that a public consultation will be undertaken in 2023. This will commence and be underpinned by the new Council Plan following adoption by the Council.

4.9.

In May 2021, following consultation across the public sector and with representatives from business and the third sector, the Public Procurement Group (PPG) published a set of seven priorities for all public procurement leaders across Scotland. These priorities, high level aims and aspirational delivery statements for all public procurement leaders, demonstrate the Scottish Government's commitment to using the power of procurement to deliver and influence outcomes that are good for the people of Scotland. Following a period of review, the public procurement priorities were updated for 2022/23. Whilst public bodies are not being asked to report against the priorities for 2021/22, the Scottish Government intends to issue a separate commission to organisations at the end of 2022/23.

5. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

There are no financial implications for the Council arising directly from approval of the recommendations set out in this report.

7. Legal Aspects

7.1.

In terms of Section 18 of the Procurement Reform (Scotland) Act 2014 the Council must prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of the financial year to which the report relates.

7.2.

The annual procurement report must include a summary of the regulated procurements that have been completed during the year covered by the report, a review of whether those procurements complied with the Council's procurement strategy, a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report and a summary of the regulated procurements that the Council expects to commence in the next two financial years.

7.3.

In terms of Sections 2 and 3 of the Procurement Reform (Scotland) Act 2014 'regulated procurement' refers to any procurement above £50,000 for goods and services or £2,000,000 for works. 'Works' includes building or civil engineering works taken as whole that are sufficient to fulfil an economic and technical function.

8. Contact Officers

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9. Annex

Annex 1: Draft Procurement Annual Report for 1 April 2021 to 31 March 2022, including the following appendices:

Appendix 1: Summary of Regulated Procurements Completed 1 April 2021 to 31 March 2022.

Appendix 2: Council's Procurement Service Improvement Action Plan 2021 to 2022.

Appendix 3: Forward Plan for Regulated and Unregulated Procurements 2022 to 2024.

Appendix 4: Additional reporting template for 2022 onwards.



Procurement Annual Report

1 April 2021 to 31 March 2022.

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Definition of Key Terms

Contract.	An agreement between the Council and any Contractor made by formal agreement or by issue of acceptance or an official order for Supplies, Services or Works.
Contractor(s).	Includes any sole trader, partnership or company (limited or unlimited) or any duly incorporated trade, professional or commercial body.
Delegated Authority.	Officers who have been given formal written authority by their Executive Director or Chief Officer to manage procurement exercises within a specified value range on behalf of the Council.
Threshold.	The threshold for determining the application of the Regulations. In the case of the Public Contracts (Scotland) Regulations 2015 the threshold is £213,477 (indicative value excluding 20% VAT £177,897) for Supplies and Services and £5,336,937 (indicative value excluding 20% VAT £4,447,897) for Works. In the case of the Utilities Contracts (Scotland) Regulations 2016 the threshold is £426,955 (indicative value excluding 20% VAT £355,795) for Supplies and Services and £5,336.937 (indicative value excluding 20% VAT £4,447,897) for Works.
Framework Agreement.	An overarching agreement with supplier(s) to establish terms governing individual contracts that may be awarded during the life of the agreement ('call-offs'), concluded in accordance with Section 34 of the Public Contracts (Scotland) Regulations 2015.
Health and Social Care Services.	A public contract or framework for social and other specific services listed in Schedule 3 of the Public Contracts (Scotland) Regulations 2015.
Life-Cycle Costing.	All consecutive or interlinked stages, including research and development to be carried out, production, trading and its conditions, transport, use and maintenance, throughout the existence of the product or the works or the provision of the service, from raw material acquisition or generation of resources to disposal, clearance and end of service or utilisation.
Procurement.	The process leading to the award of a public contract or framework agreement or establishment of a dynamic purchasing system for the acquisition of works, supplies or services from an economic operator.

Public Contracts Scotland (PCS) portal.	The Scottish Government's official national advertising portal for public sector contract opportunities.
Quick Quote (QQ).	An online quotation facility which allows the Council to obtain competitive quotes electronically for: <ul style="list-style-type: none"> • Low value requirements between £10,000 and £50,000; and • Unregulated Works Contracts, depending on complexity of contract (as defined in Clause 17 of the Council's Contract Standing Orders).
Quotation.	A formal offer to supply or purchase supplies, execute works or provide services where the estimated value of the contract does not exceed £50,000.
Regulated Procurement.	As defined by the Procurement Reform (Scotland) Act 2014 and referred to as the Reform Act 'slice' a regulated procurement for Goods or Services Contracts with a value of over £50,000 and for Works Contracts over £2,000,000 and less than the relevant Thresholds.
Regulations.	The Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and / or the Concession Contract (Scotland) Regulations 2016 as the context requires, but where the Council is acting as a Harbour Authority and chooses to do so, the Utilities Contracts (Scotland) Regulations 2016.
Supplies.	Goods or the hire of goods and for any siting or installation of those goods.
Tender.	A formal offer to supply or purchase supplies, execute works or provide services where the estimated value of the contract is £50,000 (excluding VAT) or more.
Unregulated Works Procurement.	A contract for Works with a value of between £50,000 and £2,000,000, being a procurement not covered by the Regulations and procured utilising the Council's database of pre-approved contractors.
Works.	Building construction, building maintenance or engineering works.

Introduction

Orkney Islands Council ('the Council'), provides a range of facilities and services to a community with a population estimated as 22,190 in mid-2018 by the Office of National Statistics. The Council is also the Harbour Authority with a port estate of 29 piers and harbours, a Roads Authority for the islands and operates a network of internal air and ferry services.

The Council provides procurement and related services for a wide range of works, supplies and services with an annual spend, for the financial year 2021 to 2022, of over £53 million.

The Council operates a devolved model of procurement across five directorates. The central Procurement Services Team is now based within Legal and Governance, having moved from Building Services, and consists of 4.7 full-time equivalent staff: a Service Manager (Procurement), three Procurement Officers and an Assistant Procurement Officer post (currently vacant). The Service Manager's responsibilities include the development of a network of 19 trained and experienced officers across the Council who are assigned delegated responsibility for the procurement of supplies, services and works.

The Council published its Procurement Strategy, as required by the Procurement Reform (Scotland) Act 2014 ('the Act'), in December 2016 and updated this in January 2019 and subsequently in June 2020. In order to report compliance with its Procurement Strategy and the Act itself, the Council must publish an annual report.

There are 11 key priorities identified in the Procurement Strategy as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.
- Governance.
- Contract management.
- Communication.
- E-Procurement.
- Monitoring and measurement.
- Guidance.
- Training.

The six key priority areas where targets have been identified and are attributable for the Procurement Strategy reporting period ending 31 March 2023 remain the same as for the previous year and are as follows:

- Sustainability.
- Working with suppliers.
- Value for money.
- Collaboration and partnering.
- Contract management.
- E-Procurement.

The guidance and template issued by the Scottish Government has been used for this fifth Procurement Annual Report. The reporting period for this fifth annual report is from 1 April 2021 to 31 March 2022.

In addition to the required information set out in the Act, this report includes performance against several strategic indicators as detailed in the Council's Procurement Strategy 2021 to 2023.

To evidence our progress against our strategic targets and the new duties introduced by the Act, the published Annual Report details the form of measurement taken. The statistics presented in this report provide the evidence which should, over time, show how the Council is progressing against both the national and local objectives. Targets were set in the Council's Procurement Strategy and progress towards these has been noted in this fifth Procurement Annual Report.

Section 1 – Summary of Regulated Procurements Completed

Section 18(2) of the Act requires organisations to include ‘**a summary of the regulated procurements that have been completed during the year covered by the report**’.

As defined by the Act and referred to as the Reform Act ‘slice’ a regulated procurement is for Goods or Services Contracts with a value of over £50,000 and for Works Contracts over £2,000,000 and less than the relevant Thresholds.

A Regulated Procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

Appendix 1 provides the breakdown of the Regulated Procurements completed for the reporting period of 1 April 2021 to 31 March 2022.

Section 2 – Review of Regulated Procurement Compliance

All procurement exercises carried out by the Council are required to be carried out in accordance with the Council's Contract Standing Orders (CSOs) and these are regularly updated to take account of changes in legislation and best practice in procurement.

Prior to the point of contract award, all recommendation reports are required to include a statement that the CSOs have been complied with, therefore full compliance is anticipated. Examples of internal and external review of the Council's processes and compliance with these processes are detailed in the audit / improvement capability outcomes as follows:

Procurement and Commercial Improvement Programme (PCIP)

The Council first completed Scotland Excel's PCIP in July 2017. The PCIP is undertaken every two years and a second PCIP assessment for the Council took place on 3 September 2019. Outcomes and recommendations from this exercise are incorporated as a process of ongoing procurement improvement. An assessment would have been due in Autumn 2021, this was delayed due to Covid and a new proposed date is awaited from Scotland Excel which is now likely to be in 2023.

The objective of the PCIP is to assist the Council to improve its structure, capability, processes and ultimately performance by attaining a level of procurement performance that is appropriate to the scale and complexity of its business. As part of the PCIP the Council is required to demonstrate a prudent and well-planned approach to defining its supply needs. Assessment of the Council's procurement improvement capability is carried out every two years by Scotland's Centre of Expertise Scotland Excel and covers procurement activities carried out by the Council's Officers with Delegated Authority in the Procurement, Capital Projects, Facilities and Engineering Teams.

Internal Audit

Contract Management

An internal audit of contract management was completed prior to the end of the reporting period 2020/21. The findings of this report were presented to the Monitoring and Audit Committee on 1 April 2021 and provided adequate assurance that the processes and procedures relating to contract management were well controlled and managed. There were 4 audit recommendations. The Audit Report is available [here](#).

Quarry Stone

The Council's Interim Chief Executive became aware of an order raised for the importation of approximately 80,000 tonnes of stone. There was significant public interest in this purchase including concerns about the environmental, and local economy sustainability, nature of the exercise. There was also widespread public concern amongst the community over the non-inclusion of local businesses in the procurement process.

The Interim Chief Executive requested that the Chief Internal Auditor carry out an urgent audit in relation to Cursiter Quarry Procurement Procedures, and compliance with OIC processes, policies and regulations. This was done in early 2021 with the completed report completed on 5 March 2021. This report was presented to the Monitoring and Audit Committee on 11 March 2021 with an overall audit opinion of unsatisfactory and resulted in five recommendations. The Audit Report is available at the following link:

[Item 5: Appendix 1 - Quarry Procurement Audit Report \(orkney.gov.uk\)](http://orkney.gov.uk)

This review was carried out by Internal Audit in its primary role of an assurance function which provides an independent and objective opinion on the adequacy of the Council's control environment. Internal audit work is designed to add value to and improve an organisation's operations, in particular in evaluating and improving the effectiveness of risk management, control and governance processes. This review was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

The review highlighted that purchasing activity had been carried out by obtaining quotations and raising of purchase orders in a manner outwith an open procedure which is required within the Council's own policies and law.

All actions relevant to procurement have been completed within the reporting period and incorporated into the Contract Standing Orders issued in July 2022.

As a result of the audit report, it is now a requirement that a procurement plan, which includes an assessment of the use of lots for each contract, must be submitted to the Service Manager (Procurement) for all contracts over the value of £10,000. The procurement plan is authorised by the Service Manager (Procurement), and forwarded to the relevant Head of Service and Corporate Director or Chief Officer for further approval.

A Sustainable Procurement Impact Assessment (SPiA) has been developed and is carried out where appropriate for goods, services and works procured which use carbon based energy and discharge associated emissions.

Contract Standing Orders

The Council's CSOs were significantly updated, revised and published in June 2016 to include the provisions of the Act and the Procurement (Scotland) Regulations 2016. The CSOs were also updated to include recommendations of an internal audit on procurement at the Council. The CSOs were approved by General Meeting of the Council 5 July 2016. Since then the CSOs have been updated a number of times. In October 2017 and March 2018 respectively to reflect an additional procedure to ensure there is documentation to evidence that there are no conflicts of interests for evaluation team members and to update the EU Threshold for procurement, and then in January 2020 which included the new EU thresholds and included an update on new procurement procedures in use by the Council. Changes to the CSOs were highlighted to Senior Managers and key procurement staff, and within the organisation, by way of the Procurement Services Bulletin. The CSOs were further updated in July 2022 which amongst other national policy changes incorporated the need to include VAT, where applicable, when calculating the estimated value of contracts under the procurement regulations from 1 January 2022.

Procurement Strategy

The Council's Procurement Strategy was first published in December 2016.

The Strategy was updated in January 2019 and has subsequently been updated again for the period 2021 to 2023 with the intention that a public consultation will be undertaken in 2023. This will commence and be underpinned by the new Council Plan for 2023 onwards following adoption by the Council.

Appendix 2 attached to this report is the Procurement Service Improvement Action Plan which contains the Procurement Strategy targets set and records the progress made over the last financial year.

Section 3 – Community Benefit Summary

The Council has a Sustainable Procurement Policy. This policy sets out the general principles that the Council will follow across all its procurement and commissioning activities to ensure that it is undertaken in a sustainable manner.

This Policy also sets out how the Council will plan and manage its procurement activities to meet the Council's corporate aims and objectives and comply with regulatory and legislative requirements. Finally, the policy supports the Council's commitment to sustainable procurement which is set out in the Council's Corporate Procurement Strategy 2019 to 2021.

The Procurement Strategy has now been further updated, for the period 2021 to 2023, with the intention that a public consultation will be undertaken in 2023. This will commence and be underpinned by the new Council Plan for 2023 onwards following adoption by the Council. This will ensure that the Procurement Strategy for 2023 onwards dovetails with the new Council Plan and which is to be presented to the Policy and Resources Committee.

[Procurement Strategy \(orkney.gov.uk\)](https://www.orkney.gov.uk)

The Procurement Strategy is intended for all of those who are involved in, or affected by, the Council's procurement activities throughout our community and beyond. The Council spends tens of millions of pounds each year on a diverse range of goods, services and works from third parties. It is important therefore that this spending power is used to support key Council objectives. The Sustainable Procurement Policy has been developed to help the Council to meet its legal duties and to deliver its key strategic objectives. The Sustainable Procurement Policy was updated and approved by Council in March 2022.

Sustainable procurement supports the Council's values, as outlined in the [Council Plan 2018-2023 and the Council Delivery Plan 2018-2023](#).

The Strategic Themes identified are as follows:

- Connected Communities.
- Caring Communities.
- Thriving Communities.
- Enterprising Communities.
- Quality of Life.

It is a statutory requirement that Community benefits must be considered for all procurement processes at or above £4 million in value to meet the Council's requirement to meet the sustainable procurement duty.

For each individual Regulated Procurement exercise, Officers with Delegated Procurement Authority must complete a 'Commodity Strategy for all Regulated Procurements' which includes a section on Community Benefits to be considered where applicable.

Procurements that have included Community Benefits

There have been three procurements, where Community Benefits for procurements with a contract value over the £4,000,000 threshold, have been included and have been carried out by the Council.

For procurement of Category C (local contract / framework including local collaborative framework agreements) Contracts which are undertaken by the Council, Community Benefits are included without exception as part of the award criteria where the value of the contract is over £4 million. This is recorded in the Procurement Strategy Improvement Action Plan, attached at Appendix 2.

These contracts are as follows, and have either been completed or have ongoing spend within the reporting period for this annual report:

Date of Award.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
01/02/2019.	Supply of Two New Towage Boats.	12,000,000.	11/02/2019.	September 2021.
05/01/2021	Inter-island Air Services	4,880,363.	01/04/2021.	31/03/2025.
09/04/2021	School and Public Bus Contracts	4,672,014.	16/08/2021.	15/08/2031.

Where the Council can access Category A (national collaborative) contracts or Category B (sectoral collaborative) contracts via Framework Agreements the overall anticipated value of the Framework is inevitably of a high value and likely to be over the £4 million threshold for the inclusion of community benefits.

Contracts awarded under Framework Agreements are required to achieve Community Benefits as mandatory. However, for contracts awarded via a Framework Agreement it is more difficult to identify Community Benefits which will be realised locally, except where the local supply chain is involved in the delivery of the Contract.

Monitoring of Community Benefits for exercises before this year have continued as planned.

For the two new Tugboats, sea and shore staff have been trained in the use of new equipment and maintenance prior and following the vessels being delivered to Orkney waters. There is also a requirement for the knowledge of modern technology to effectively be passed on to increase the knowledge base of local suppliers. This will be necessary due to the requirement for a higher level of shore side backup for these vessels.

There has been no increase in the number of contracts over the value of £4 Million with Community Benefit Clauses over the past financial year, however the inclusion of Community Benefit Clauses are routinely considered where appropriate for all procurements.

Community Benefit Analysis.	1 April 2021 to 31 March 2022.
Total Number of Contracts where Community Benefit Clauses have been included.	33
Number of *Applicable Contracts with Community Benefit Clause.	3.
Percentage of total *Applicable Contracts with Community Benefit Clauses.	100%.

*The remaining 30 contracts noted relate to those under the £4M threshold.

Other considerations

The following factors are routinely taken into consideration in relevant procurements, especially in construction or social care procurement. However, these may not always be specifically labelled as Community Benefit Award Criteria:

- Climate change (carbon and energy consumption, carbon in production, adaption, carbon in vehicle emissions).
- Materials (scarcity, security).
- Waste (production, reuse / recondition / remanufacture).
- Hazardous materials / emissions.
- Bio-diversity (protection and enhancement).
- Heritage (protection and enhancement).
- Water (consumption and production).
- Employment (skills and training, SMEs / social enterprises / supported businesses).
- Communities.
- Fair and ethical trading (working conditions, conflict materials).
- Equality (protected characteristics).

Following the legislative changes, and as recorded for the financial years covered by this report on the Council's On-Contract Spend Register, there have been a total of 107 procurements undertaken including live ongoing contracts to the end of the March 2022 reporting period where Sustainability Clauses have been part of the award criteria.

The most notable significant procurement exercises which were undertaken during the current reporting period include the new Public and School Transport services, the outer isles Kerbside Collection Services and the isles haulage services which incorporated proportionate Community Benefit clauses and have resulted in positive contributions from bidders.

In accordance with the Council's Sustainable Procurement Policy, the inclusion of sustainable procurement clauses in award criteria are considered for all contracts where this is appropriate. The following table illustrates the number of contracts where sustainable procurement clauses have been included regardless of value.

Sustainability Clauses Analysis.	1 April 2021 to 31 March 2022.
Number of Contracts where Sustainability Procurement Clauses have been included.	107.
Percentage of total Category C (local contract / framework including local collaborative framework agreements) Contracts with Sustainable Procurement Clauses.	48%.

A summary of the Community Benefits and Sustainable Procurement clauses as part of the award criteria for the procurements included within the reporting period are as follows:

- Employment (skills and training, small or medium-sized enterprises (SMEs) / social enterprises / supported businesses).
- Fair Work Practices.
- Transport and emissions.
- Employment opportunities for people who experience barriers to employment.

Section 4 – Supported Businesses Summary

The [Act](#) included a new classification for supported business, and defined a supported business as ‘an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged’.

Public organisations can restrict the right to participate in procurement for the award of a public contract / framework to supported businesses only.

This change expanded the potential for more businesses to be included in this category however the Council’s contract activity for the reporting year has not provided an opportunity to carry out such an exercise.

Section 5 – Future Regulated Procurements Summary

The Procurement team has worked with Corporate Directors across the Council to develop a forward procurement plan for their service areas. These plans identify the Council's anticipated procurement activity for the coming year for Category C and C1 procurement (excluding Category A and B activity).

The Act has extended this timeframe to two years and Appendix 3 includes information regarding anticipated Regulated Procurements for that period. As referenced in the introduction above, this report includes information on all procurement activity and this is included in the Forward Plan, i.e. it also covers 'non-regulated' procurement.

See Appendix 3 for the Council's Forward Plan.

Section 6 – Other Information

Supplier Development

A Meet the Buyer event has been held annually for the years 2018 to 2020.

Given the Covid-19 pandemic there has not been an over-arching Meet the Buyer event organised during 2020 to 2022, however contract specific market engagement events have taken place in a format compatible with Coronavirus restrictions in place at the time where required and on a case by case basis. The events are organised by the Council's Procurement Team, together with service colleagues and the Business Gateway. An example of this was the Mini-Meet the Buyer event advertised via a Prior Information Notice for the Kerbside Collection Service for the Outer Isles in 2021. The focus of this event was to explain the rationale for the forthcoming procurement exercise and signpost the support available via the Business Gateway Orkney Service and the Supplier Development Programme.

Scotland Excel have presented in person to the last three Meet the Buyer events. Similarly the Supplier Development Programme has been active in providing support to contractors and has also actively involved in helping local firms do business better with the Council. The events have attracted between 10 and 50 individuals over the last four occasions and have been well received by attendees.

The following commitments have been made as part of the Council's Procurement Improvement Action Plan:

- To increase attendance at 'meet the buyer' or equivalent events to cover areas of concern, engage with local suppliers and advise on how to become a supplier to the Council. Encourage main contractors to engage with SMEs through the inclusion of Community Benefit clauses.
- Encourage suppliers to the Council to access support available to businesses, via Business Gateway Orkney and the Supplier Development Programme.

Meet the Buyer events, following the format of the Kerbside Collection Service going forward have either taken place or are planned for contract/sector specific market engagement, for example, fleet, food procurement and Orkney Harbours Masterplan projects.

Collaboration and Partnering Opportunities

In accordance with the Council's Procurement Strategy there is a Council commitment regarding collaboration and partnering. It is recognised that greater efficiencies can be achieved by improved collaboration between different organisations within the public sector with similar requirements, whether within the local government sector or in other areas of the public sector, such as the Scottish Government, the Crown Commercial Service, Non-Departmental Public Bodies and the National Health Service (NHS).

Collaboration maximises the value of procurement whether it be through aggregation of demand or through the sharing of resources to reduce administration. Framework Agreements are noted as either a Category A Contract or a Category B Contract or Category C1 for local collaborative contracts in place. The Council's use of these is shown in the tables below.

The Council's internal contract register lists all purchases for works, services and supplies known to have a contract in place. This register does not include ad hoc purchases for values typically under the £10,000 minimum threshold as noted in the Council's CSOs. There are exceptions to this rule where the nature or complexity of the contract does warrant having a contract in place regardless of being of low value (under £10k, for example, IT licensing agreements, cleaning contracts etc.

In total there are 503 live contracts listed in the Council's contract register for the year 1 April 2021 to 31 March 2022.

Tables 1, 2, 3, 4, 5 and 6 below summarise all live contracts as recorded on the Council's Contract Register by category for the previous six complete financial years and a corresponding split between Services, Supplies and Works.

Table 1 – 1 April 2016 to 31 March 2017

Contract Category Analysis of Contracts (as recorded on the Contracts Register).	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	21.	11.64%.	2,830,560.07.
Category B (sectoral).	18.	7.45%.	1,811,503.54.
Category C (local single supplier).	163.	72.64%.	17,663,409.07.
Category C1 (local contract / framework including local collaborative framework agreements). (Example for Category C1 are the collaborative contracts in place with the Council as the lead with NHS Orkney for the provision of food for the schools, residential homes and the Balfour Hospital and specialist legal services working collaboratively and e-learning working.)	23.	2.00%.	486,816.67.
Category O (other).	101.	6.26%.	1,523,172.78.
Total.	326.	100.00%.	24,315,462.12.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	240.	73.62%.	14,116,677.76.	58.06%.
Supply.	65.	19.94%.	4,814,221.17.	19.80%.
Works.	21.	6.44%.	5,384,563.20.	22.14%.
Total.	326.	100.00%.	24,315,462.12.	100.00%.

Table 2 – 1 April 2017 to 31 March 2018

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	18.	10.41%.	3,151,612.07.
Category B (sectoral).	43.	7.77%.	2,354,034.99.
Category C (local single supplier).	187.	74.85%.	22,667,547.25.
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	26.	1.60%.	484,316.67.
Category O (other).	112.	5.37%.	1,625,027.23.
Total.	386.	100.00%.	30,282,538.21.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	256.	66.32%.	15,853,299.03.	52.35%.
Supply.	82.	21.24%.	4,589,907.12.	15.16%.
Works.	48.	12.44%.	9,839,332.06.	32.49%.
Total.	386.	100.00%.	30,282,538.21.	100.00%.

Table 3 – 1 April 2018 to 31 March 2019

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	120.	9.29%.	3,239,609.60.
Category B (sectoral).	29.	6.76%.	2,356,310.38.
Category C (local single supplier).	190.	75.57%.	26,339,687.96.

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	12.	1.05%.	364,900.00.
Category O (other).	117.	7.33%.	2,553,243.36.
Total.	468.	100.00%.	34,853,751.30.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	244.	52.14%.	17,163,049.95.	49.24%.
Supply.	162.	34.61%.	4,896,225.17.	14.05%.
Works.	62.	13.25%.	12,794,476.18.	36.71%.
Total.	468.	100.00%.	34,853,751.30.	100.00%.

Table 4 – 1 April 2019 to 31 March 2020

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	35.	7.63%.	£3,158,775.74.
Category B (sectoral).	33.	5.83%.	£2,413,179.78.
Category C (local single supplier).	201.	71.40%.	£29,559,423.37.
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	12.	0.75%.	£311,378.48.
Category O (other).	145.	14.39%.	£5,959,463.85.
Total.	426.	100.00%.	£41,402,221.23.

Type of Contract.	Number of Contracts.	Percentage of Total Contracts.	Value of Contracts (£).	Percentage of Total Value.
Service.	277.	65.02%	£18,328,542.27	44.27%
Supply.	80.	18.78%	£12,044,994.21	29.09%
Works.	69.	16.20%	£11,028,684.75	26.64%
Total.	426.	100.00%.	£41,402,221.23	100.00%.

Table 5 – 1 April 2020 to 31 March 2021

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	25.	7.69%.	£2,828,299.00.
Category B (sectoral).	29.	7.24%.	£2,662,194.74.
Category C (local single supplier).	212.	58.82%.	£21,618,832.83.
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	13.	1.02%.	£373,967.50.
Category O (other).	149.	25.23%.	£9,540,039.67.
Total.	428.	100.00%.	£37,023,333.74.

Type of Contract	Number of Contracts	% of Total Contracts	Value of Contracts	% of Total Value
Service	275.	64.25%.	£19,064,537.13.	51.49%.
Supply	57.	13.32%.	£10,829,453.22.	29.25%.
Works	96.	22.43%.	£7,129,343.39.	19.26%.
Total.	428.	100%.	£37,023,333.74.	100%.

Table 6 – 1 April 2021 to 31 March 2022

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category A (national).	54	2.39%	£1,002,229.10
Category B (sectoral).	58	10.21%	£4,282,885.39

Contract Category Analysis.	Number.	Percentage of Total Value.	Estimated Contract Value (£).
Category C (local single supplier).	222	63.22%	£26,531,161.52
Category C1 (local contract / framework including local collaboration). (Examples for Category C1, are as for 2016 / 2017, the provision of contracts for food, specialist legal services working collaboratively and e-learning working collaboratively with other Public Authorities with the addition of the provision of tax advisory services).	10	1.20%	£503,333.29
Category O (other).	159	22.98%	£9,643,541.36
Total.	503	100.00%	£41,963,150.67

Type of Contract	Number of Contracts	% of Total Contracts	Value of Contracts	% of Total Value
Service	323	64.21%	£22,203,979.34	52.91%
Supply	109	21.67%	£4,544,836.92	10.83%
Works	71	14.12%	£15,214,334.41	36.26%
Total.	503	100%	£41,963,150.67	100%

Procurement Annual Spend Data

The Council is required by the Scottish Government to input its annual spend data to the Procurement Hub which records all purchasing transactions made by the Council for each financial year. The information is processed and released back to the Council for the purposes of analysis and forward planning.

The following table provides a summary of key data for the Council spend data for the past six financial years.

Financial Year.	2016/17.	2017/18.	2018/19.	2019/20.	2020/21.	2021/22.
Total Spend (£).	40,922,973.	43,949,847.	45,158,580.	45,351,144.	40,405,786.	53,235,315.
Core Trade Spend (£).	36,836,233.	38,934,328.	40,890,739.	41,136,579.	37,412,755.	50,458,363.
Input suppliers.	2,245.	2,249.	2,129.	2,143.	1,802.	2,205.
De-dedicated Suppliers.	2,216.	2,218.	2,091.	2,103.	1,764.	1,998.
Duplicate Suppliers.	29.	31.	38.	40.	38.	27.
SME Suppliers.	733.	702.	671.	730.	670.	971.
Local Suppliers.	225.	228.	238.	249.	217.	294.
Transactions.	34,655.	34,292.	34,684.	35,299.	29,226.	34,999.

Financial Year.	2016/17.	2017/18.	2018/19.	2019/20.	2020/21.	2021/22.
Average Spend per supplier (£).	18,467.	19,815.	21,596.	21,564.	22,906.	26,644.
Percentage of SME Spend.	75%.	63%.	67%.	65%.	61%.	62%.
Percentage of Local Spend.	43%.	41%.	47%.	41%.	38%.	41%.
Percentage of Core Trade Spend of Total Spend.	90.01%.	88.59%.	90.55%.	90.70%.	92.59%.	94.50%.

Key to categories in Procurement Annual Spend table:

- Total Spend - the total amount of spend for the financial year.
- Input Suppliers - The number of suppliers, before de-duplication.
- De-duplicated Total Suppliers - The number of unique suppliers.
- Duplicate Suppliers - The number of suppliers which are duplicates of another supplier.
- Transactions - The total number of transactions.
- Avg. spend per supplier - The average spend per unique supplier.
- Core Trade Spend - Core Trade is a sub-set of your supply base that includes all Trade Suppliers and Social Care Provider with whom you have spent £1,000 or more in the financial year.
- SME Supplier - Small and Medium sized businesses where the supplier has less than 249 employees or where the annual revenue is less than £22.8m.
- SME Spend - Spend with SME as a percentage of Core Trade Spend.
- Local Suppliers – Spend with suppliers within the same local authority area as your organisation (based on Postcodes).
- Local Spend – Spend with local suppliers as a percentage of Core Trade Spend.

Procurement Spend – National Context

The Council has the fourth highest value (38%) in comparison to the whole of Scotland for the reporting period 2020 to 2021, for total procurement spend on local SMEs (Figure 2).

Orkney's procurement spend on local SMEs is 11% above the 'all Scotland' national average of 29% (Figure 1).

Please note that the figures referred to in this section are the percentages of the Council's spend on local SMEs which is a different data set to the figures recorded for percentage of SME Spend and percentage of Local Spend in the table above. This information is sourced from the Local Government Benchmarking data sets and are the 2020 to 2021 figures. These are the most up to date statistics available to illustrate the national context.

What percentage of my council's procurement is spent on local enterprises?

Figure 1: Percentage of Council Procurement spent on local SMEs 2020 to 2021. Source: www.improvementservice.org.uk, accessed 8 June 2022. Orkney Islands Council spend on local enterprise is 38%, higher than the national average of 29%.

What percentage of my councils' procurement is spent on local enterprises?



Figure 2: Percentage of Council Procurement spent on local SMEs – Scottish Local Authorities 2020 to 2021. Orkney Islands Council is ranked 4th across all Scottish Local Authorities. (Source: as above).

What percentage of my councils' procurement is spent on local enterprises?

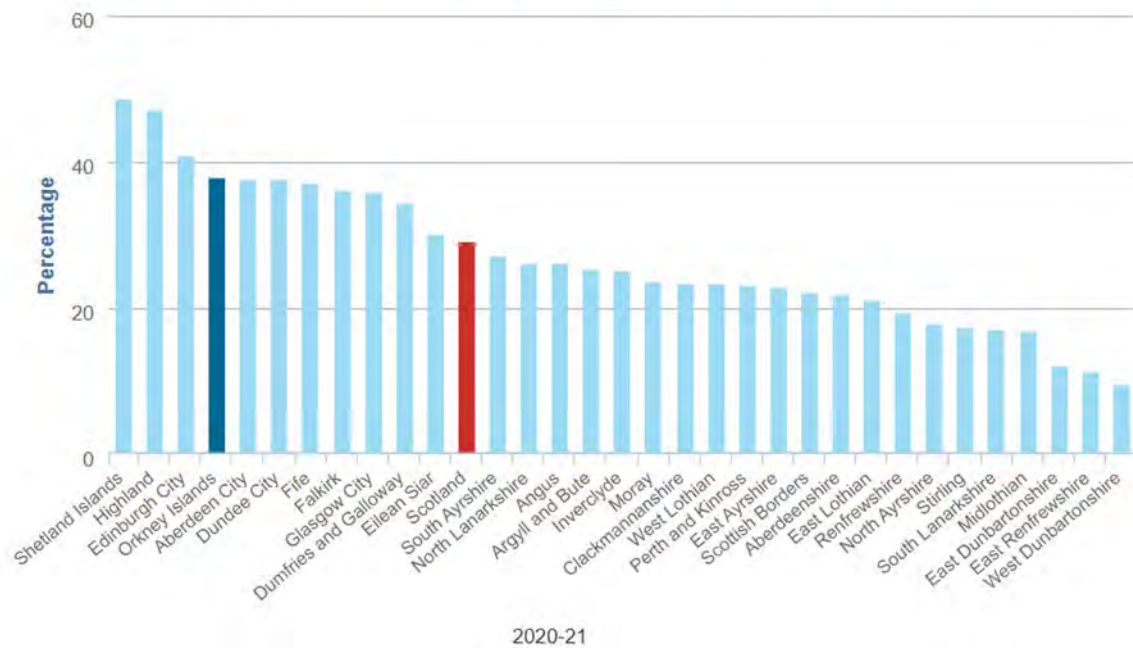
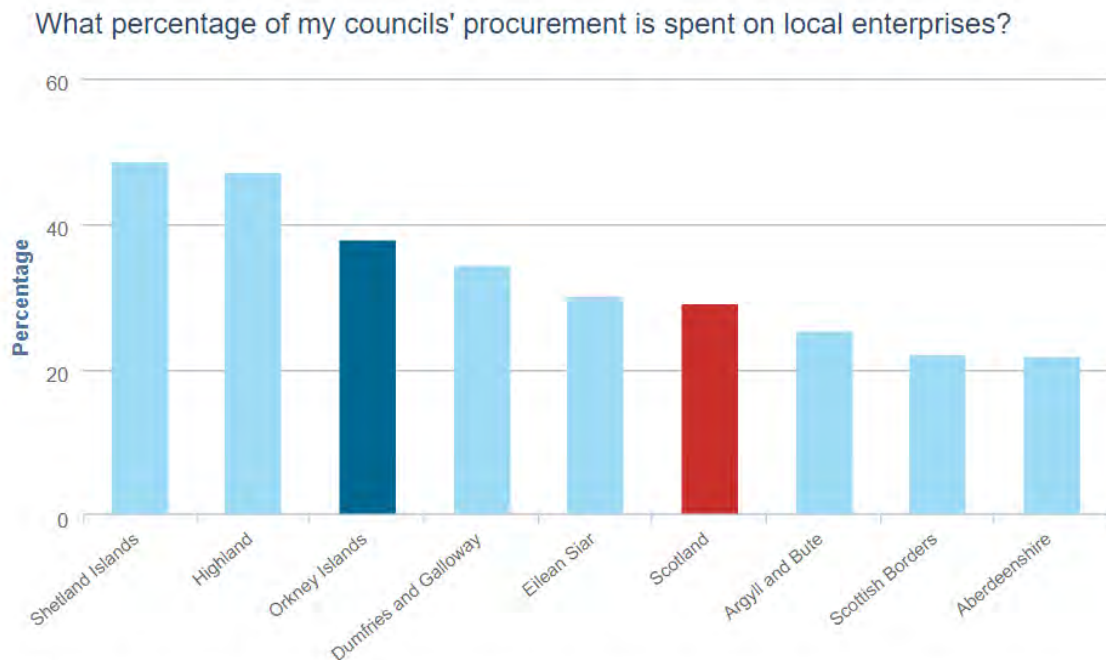


Figure 3: Percentage of Council Procurement spent on local SMEs –Compared to similar Scottish Local Authorities 2020 to 2021. (Source: as above).



For Corporate Services, Economic Development, Environmental Services, Culture and Leisure Services, Financial Sustainability and Tackling Climate Change similar types of councils are grouped by their population density

Climate Change Duties

The Climate Change (Scotland) Act 2009 places ‘Climate Change Duties’ (CCD) on public bodies, which require them to:

- Contribute to national carbon emissions reduction targets.
- Contribute to climate change adaptation.
- To do this sustainably.

All public bodies are required to prepare reports on compliance with climate change duties for submission to the Sustainable Scotland Network at the Edinburgh Centre for Carbon Innovation, setting out what they are doing to fulfil their CCD. The Council will be statutorily required to provide the above in annual reports from reporting year 2021/22 onwards, as part of The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2020.

The Council’s 2020/21 annual CCD report was agreed by Council in October 2021. Copies of previous CCD reports may be accessed [here](#).

Biodiversity Duty

Part 1 of the Nature Conservation (Scotland) Act 2004 places a ‘Biodiversity Duty’ on public bodies, requiring them to ‘further the conservation of biodiversity’ when carrying out their functions. Local authorities are well placed to deliver biodiversity conservation; as land managers and planning authorities, they can have a significant positive impact on biodiversity protection, as well as identifying opportunities for enhancement. Across a range of functions there are also opportunities for education, community engagement,

sustainable resource management, projects and initiatives which can deliver significant benefits for biodiversity.

The Wildlife and Natural Environment (Scotland) Act 2011 requires public bodies in Scotland to provide a publicly available report, every three years, describing the actions which they have taken to meet their Biodiversity Duty. Orkney Islands Council has already published Biodiversity Duty reports in 2014, 2017 and 2020, the most recent of which is available on the Council's website [here](#).

The Council is a member of the Orkney Local Biodiversity Action Plan Steering Group and helps prepare and implement the Orkney Local Biodiversity Action Plan (LBAP). First published in 2002 then revised in 2008, 2013 and 2018, the LBAP identifies actions which can be taken locally, and which will contribute to the conservation of those species and habitats identified as being 'at risk' or 'threatened' in the UK. All four versions of the LBAP are available on the Council's website [here](#).

Changes to Procurement Legislation at the end of the EU Exit Transition Period

The Scottish Government produced a policy note [SPPN 11/2020](#) on 17 December 2020 regarding changes to Procurement legislation at the end of the EU Exit Transition period in January 2021. This policy note was subsequently updated on 19 April 2021 with a further policy note [SPPN 5/2021](#) issued on 18 August 2021.

The Council's key policy documents have been amended in accordance with the guidance issued by the Scottish Government during the period covered by this Procurement Annual Report and into the 2022/23 reporting period. This will continue as further policy notes are issued.

Changes in Scotland's Public Procurement Reporting Requirements for 2022-23

The Scottish Government produced a policy note [SPPN 5/2022](#) on 22 August 2022 regarding future reporting requirement for the 2022 to 2023 period.

In May 2021, following consultation across the public sector and with representatives from business and the third sector, the Public Procurement Group (PPG) published a set of seven priorities for all public procurement leaders across Scotland. These priorities, high level aims and aspirational delivery statements for all public procurement leaders, demonstrate the Scottish Government's commitment to using the power of procurement to deliver and influence outcomes that are good for the people of Scotland. Following a period of review, the public procurement priorities were updated for 2022 to 2023. Whilst public bodies are not being asked to report against the priorities for the period for 2021 to 2022, the Scottish Government intend to issue a separate commission to bodies at the end of 2022-2023.

Appendix 1 – Summary of Regulated Procurements completed 1 April 2021 to 31 March 2022

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
01/04/2020	SXL Framework Suppliers various	Personal Protective Equipment	£424,999.12	01/04/2020	31/03/2021
09/04/2021	Various	Local School and Public Bus Transport	£5,198,024.30	17/08/2021	30/06/2031
01/04/2020	SXL Framework Suppliers various	Covid 19 PPE	£57,989.50	01/04/2021	31/03/2022
17/06/2021	Enable Scotland	Framework 0533 Call off 016 (NR)	£742,186.14	01/07/2021	30/06/2024
05/01/2021	Loganair	Provision of Air Services	£4,747,600.00	01/04/2021	31/03/2025
02/02/2021	Northwards	Variation to Container Shipment of Waste	£1,951,571.95	01/04/2021	31/03/2024
02/02/2021	Tripod, Ranstad & Sanctuary	Agency Social Workers - SXL Framework	£118,865.00	01/04/2021	31/03/2022
07/04/2021	Start Point Media	Promoting Orkney - Digital Media Management	£82,952.00	01/04/2021	31/03/2022
Various	Colas Ltd	Bitumen Products (Surface Dressing Binder)	£195,004.00	01/03/2021	28/02/2022
Various	Nynas UK AB	Bitumen Products (Penetration Binder)	£254,980.00	01/03/2021	28/02/2022
01/04/2021	Golder Orkney Ltd	Grounds Maintenance Services Extension	£299,093.28	01/04/2021	31/03/2022

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
24/02/2021	Fisher Associates	Harbour Master Plan Phase 1 Outline Business Plan	£59,194.00	24/02/2022	31/03/2022
09/07/2021	Terberg DTS UK Ltd	Airfield Fire Appliance	£54,047.36	09/07/2021	Purchase Only
31/05/2021	Dennis Eagle Ltd	26T Refuse Collection Vehicle	£208,465.00	31/05/2021	Purchase Only
21/06/2021	Robertsons Orkney Ltd	Tractor	£55,953.00	21/06/2021	Purchase Only
05/05/2021	Bill Mackie Engineering Ltd	MV Shapinsay 2021 - Refit	£79,063.07	03/05/2021	14/05/2021
16/04/2021	Viatec UK Ltd	Pothole Repair Materials	£75,000.00	28/02/2021	29/02/2024
27/04/2021	Iain Laird Events & Security	Security Services Interim Service	£75,000.00	01/06/2021	30/11/2021
06/07/2021	Mellor Bus	Disabled Access Minibus (TPPL)	£85,716.00	06/07/2021	Purchase Only
01/12/2021	Profile Security Services	Security Service For Orkney Harbour Authority (Re-run)	£221,368.22	01/01/2022	01/01/2025
18/08/2021	Oil Technics Limited	Supply of Firefighting Foam	£53,740.00	19/08/2021	Purchase Only
17/02/2022	Skips Units Limited	Supply of Various Skips	£90,665.00	17/02/2022	Purchase Only
18/08/2021	Royston Ltd	Replacement Generators for Sigurd & Thorfinn	£70,529.26	18/08/2021	Purchase Only
24/08/2021	Enable Scotland	Tripartite Agreement	£250,915.00	06/08/2021	31/12/2021
01/04/2021	The Social Care Community Partnership	SXL Social Care Agency Workers	£95,076.80	01/04/2021	31/03/2022
19/10/2021	Casey Construction Ltd	External Fabric Repairs - Stromness Town Hall	£370,257.65	01/10/2021	30/09/2022

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
10/12/2021	Toyota GB Plc	Small Panel Electric Vans x3	£68,605.20	10/12/2021	Purchase Only
16/09/2021	Earley West	Pupil Laptops	£153,600.00	16/09/2021	Purchase Only
07/09/2021	Bill Mackie Engineering Ltd	Thorsvoe Refit 21	£77,211.24	20/09/2021	01/10/2021
01/12/2021	Orkney Aggregates	Winter Maintenance Island Salt Storage	£58,500.00	01/12/2021	Purchase Only
19/10/2021	Agritrend Ltd	Self Loading Tractor Mounted Gritters (x3)	£98,893.00	19/10/2021	Purchase Only
10/10/2021	R Clouston Ltd	Measured Term Contract 19-22 Value Extension	£400,000.00	10/10/2021	31/03/2022
01/04/2021	Vohkus Ltd	Various IT Peripherals	£65,311.00	01/04/2021	Purchase Only
N/A	Seven Resourcing Ltd	Social Care Agency Staff - Seven - Care Homes	£182,000.00	30/10/2021	29/10/2022
N/A	Seven Resourcing Ltd	Social Care Agency Staff - Seven - Homecare	£521,400.00	30/10/2021	29/10/2022
24/12/2021	Bill Mackie Engineering Ltd	MV Earl Sigurd - Refit 2022	£104,747.91	10/01/2022	24/01/2022
21/01/2022	Bill Mackie Engineering Ltd	MV Varagen - Refit 2022	£98,227.18	21/02/2022	07/03/2022
18/01/2022	Bill Mackie Engineering Ltd	Earl Thorfinn Refit	£97,281.04	31/01/2022	11/02/2022
05/09/2022	Pipedream Plumbing	Heat Pump & MVHR Servising - Various OIC Properties	£501,000.00	06/01/2022	31/05/2025

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
01/02/2022	Lift Fitness (UK) Ltd	Exercise Bikes	£90,173.82	01/02/2022	Purchase Only
21/02/2022	HUB North Strategic Support Partnering Services	Learning Estate Outline Business Case	£59,000.00	21/01/2022	31/02/2022
03/08/2022	Bill Mackie Engineering Ltd	Hoy Head Refit 2022	£90,328.50	14/03/2022	25/03/2022
21/01/2022	Advante Ltd	Supply of Solar Powered Cruise Reception Facility	£86,152.58	21/01/2022	30/04/2022
03/01/2022	Robert Potter & Partners LLP	Conservation Architectural Services	£169,013.25	03/01/2022	31/03/2022
17/03/2022	Life Fitness Uk	Gym Equipment (SG Inlands Infrastructure Fund 21/22)	£330,561.74	17/03/2022	Purchase Only
24/03/2022	Kongsberg Maritime	Essential Thruster Spare - Towage Vessels	£99,356.42	24/03/2022	Purchase Only
14/10/2021	Curo Salus Ltd	Residential Educational	£273,000.00	14/10/2021	Not Known
11/05/2021	A Sinclair Ltd	Papdale East Play Park	£771,000.00	01/10/2021	28/09/2022
29/03/2021	R S Rendall Ltd	St Olafs cemetery extension	£226,145.00	24/05/2021	10/07/2022
22/12/2021	Leask Marine	Warehouse Building - Sea source heat pump upgrade	£117,086.87	19/04/2021	25/11/2022
11/09/2020	R Clouston Ltd	St Colms Re Roofing	£411,093.96	11/09/2022	26/06/2022
18/12/2020	R Clouston Ltd	Window Replacements - Mainland	£222,169.58	02/08/2021	12/02/2021
04/08/2021	Orkney Builders (Contractors) Ltd	Window Replacements - North Isles	£171,012.50	07/01/2021	26/02/2021

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
24/11/2021	RS Rendall Ltd	Extension to Finstown Cemetery	£108,021.86	24/01/2022	13/05/2022
02/08/2021	Casey Construction Ltd	Works to West Entrance Vestibule at St Magnus Cathedral	£191,498.00	03/08/2021	24/03/2022
16/06/2020	R Clouston Ltd	8 House Development at Coplands Road, Garson, Stromness	£981,547.46	09/01/2020	31/03/2021
06/03/2021	Orkney Builders (Contractors) Ltd	Extension & Alterations to Glaitness Primary School	£1,564,790.46	07/05/2021	30/08/2022
02/01/2021	Casey Construction Ltd	Extension & Refurbishment to St Andrews School	£1,490,154.41	15/03/2021	09/11/2022
01/04/2021	Hewlett Packard	Mobile Client Devices	£158,250.00	01/04/2021	31/03/2022
05/02/2021	Andrew Sinclair Ltd	Kirkwall Pier Capsil Replacement	£87,712.14	01/04/2021	22/07/2021
30/03/2021	Leask Marine Ltd	Egilsay & Wyre Lighting	£89,250.00	12/06/2021	04/09/2021
23/07/2021	BDS Ltd	RMP 21-22: Surfacing	£307,693.00	27/08/2021	05/11/2021
06/01/2022	BDS Ltd	RMP 21-22: Surfacing Ferry Road/Church Road	£69,120.00	27/01/2022	31/03/2022
19/10/2021	Andrew Sinclair Ltd	RMP 21-22: A965 Finstown Reconstruction	£50,610.00	09/11/2021	14/03/2022
16/09/2021	BDS Ltd	RMP 21-22: Patching	£153,947.00	24/09/2021	14/03/2022
16/09/2021	BDS Ltd	RMP 21-22: Stromness Street Repairs	£93,499.00	27/09/2021	12/03/2022
16/12/2021	Andrew Sinclair Ltd	RMP 21-22 Bridge Maintenance	£66,903.25	10/01/2022	02/04/2022

Date of Award.	Supplier Name.	Subject Matter.	Estimated Value (£).	Start Date.	End Date.
18/01/2022	Andrew Sinclair Ltd	CWSR: Kirkwall Crossings 21-22	£67,628.17	14/02/2022	01/04/2022
20/12/2021	BDS Ltd	CWSR: Gateway signs 21-22	£59,927.00	10/01/2022	25/03/2022
18/11/2021	Andrew Sinclair Ltd	Kirkwall Drainage CCTV & Cleaning	£52,811.55	17/01/2022	28/02/2022
05/08/2021	BDS Ltd	NI Terminals Surfacing & Lining	£94,054.00	05/08/2021	02/09/2021
09/11/2021	Leask Marine	NI Fender Repairs (Sanday & Westray)	£119,548.28	30/11/2021	18/03/2022
30/03/2021	Leask Marine	Egilsay & Wyre Pier Lighting	£89,250.00	30/03/2021	11/06/2021
16/09/2021	Causeway Geotech Ltd	SDWQ & Hatston Marine SI	£1,103,808.25	07/10/2021	21/03/2022
16/09/2021	Causeway Geotech Ltd	SDWQ & Hatston Land SI	£229,268.50	07/10/2021	14/03/2022
05/08/2021	BDS Ltd	Coplands Dock Access Walling & Planting	£66,640.00	05/08/2021	14/10/2021
18/03/2022	Andrew Sinclair Ltd	Cursiter Quarry Advance Works	£899,466.33	04/04/2022	03/03/2023

Appendix 2 – Procurement Service Improvement Action Plan 2021 to 2022

1. Sustainability.	The Council is conscious that its procurement decisions must take account of the social, economic and environmental impact it has on the people and communities of Orkney and elsewhere.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
1.1 To embed sustainability into the procurement process where it is relevant to the subject matter of the contract and to comply with the Council's Sustainability Duty.	Consideration of sustainability built into individual commodity strategy as evidence.	Development of a commodity strategy for each individual procurement as included in the reviewed CSOs approved in June 2016. Complete in Central Procurement Unit (CPU), roll out to other services in progress, where appropriate.	March 2018.	Complete.
1.2. Implementation of the Scottish Government 10 steps to Sustainable Procurement to assist sustainability and other responsible procurement themes.	Sustainable Procurement Policy 2017 to 2018 in place. Part of the new suite of legislation effective from June 2016. Ensure all proforma documentation is updated accordingly.	Sustainability clause in all Invitation to Quote and Invitation to Tender documentation issued by the CPU. Incorporated into all documentation when appropriate.	March 2018.	Complete.
1.3. To engage with the local supplier base to develop Community Benefit Clauses to	Consultation event for spring / summer 2017 on Sustainable	Consultation complete and final Strategy published March 2018.	September 2018.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
maximise the potential of the local economy to compete for Council business for the economic benefit and sustainability of Orkney.	Procurement Policy update 2017 to 2018.			
1.4. To implement the use of Community Benefit Clauses in contracts as appropriate.	Update CSOs and procurement proformas for the Commodity strategy and the contract award recommendation report updated to ensure compliance with the new requirement to consider the inclusion of a community benefit clause for all procurement with a value over £4 million.	CSOs revised and updated 2018, proformas being updated accordingly.	March 2018.	Complete.
		Sustainability training to be developed for network of procurement officers with delegated authority.	March 2023.	TBC.

Indicators: 1. Sustainability	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentage of relevant Procurements where Community Benefit Clauses have been	5% (100%).	10% (100%).	N / A.	N / A.	N / A.	

Indicators: 1. Sustainability	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
included in the award criteria. This indicator was replaced by the one below in 2018 / 2019.						
Number of Procurements where Community Benefit Clauses have been included in the award criteria.	3.	4.	6 (5).	8 (5).	10 (5).	10 (33).
Percentage of overall spend with the third sector and supported businesses.	7% (5.52%).	8% (10.65%).	11% (11.91%).	12% (10%).	13% (15%).	15% (3.66%).
Percentage of contract spend with local supplier base in Orkney.	50% (43%).	52% (41%).	55% (47%).	56% (41%).	57% (35%).	50% (41%).

2. Working with Suppliers.	The Council recognises that there is a popular view amongst suppliers and contractors, and particularly amongst SMEs, that Councils are difficult to do business with and that communications are often poor.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
2.1 At all times adopt a professional approach in all of its business	Recording of evaluation decisions integrated to procurement process.	Feedback provided as required by law and within the 15-day mandatory timescale. European Social Fund /	June 2017.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
<p>undertakings with suppliers and contractors. Where decisions are made every effort will be made, within the confines of the law and commercial confidentiality, to provide a full explanation of the reasoning behind the procurement decision making process.</p>		<p>Scottish Government audit report recommendation to keep all individual evaluations on record incorporated into the procurement manual update.</p>		
<p>2.2. To ensure that the procurement process is appropriate to the value and complexity of the goods, services and works that are being acquired and to keep bidding costs to the minimum necessary and remove barriers to participation by, for example small firms, the self-employed and the third sector without discriminating against others.</p>	<p>Documentation prepared that is proportionate to the value and complexity of the procurement.</p>	<p>Documentation and method of advertising considered as per CSOs in a proportionate and accessible manner, utilising Quick Quote wherever possible and contacting suppliers prior to release of advert or QQ.</p>	<p>April 2019.</p>	<p>Complete.</p>
		<p>How to Tender workshops run by Business Gateway on a regular basis.</p>	<p>April 2019.</p>	<p>Complete.</p>

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
2.3. To engage with the local supplier sustainability of Orkney.	Reviewed on an ongoing basis.	Standard method statements in place for low value procurements and evaluation of submissions. Minimal documentation in place.	April 2019.	Complete.
2.4. Use outcome based tender specifications wherever possible – to allow businesses to propose innovative and alternative solutions to the Council's needs.	Method statements adopted.	Consider outcome-based specification training for delegated authority officers.	March 2023.	TBC.

Indicators: 2. Working with Suppliers.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target. (Actual)	Target (Actual)
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentage of local supply base registered with the Supplier Development Programme. This indicator was replaced by the one below in 2018 / 2019.	8% (no systems in place to record this data).	12% (no systems in place to record this data).	N / A.	N / A.	N / A.	N / A.
Number of local suppliers registered with the Supplier Development Programme.	N / A	36.	40 (36).	45 (51).	50 (53).	55 (61).

Indicators: 2. Working with Suppliers.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target. (Actual)	Target (Actual)
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Number of local supply base registered on the PCS Advertising Portal.	N / A	N / A	89 (83).	95 (84).	100 (86).	100 (88).
Percentage of outcome-based specifications in place.	2% (no systems in place to record this data).	5% (no systems in place to record this data).	N / A.	N / A.	N / A.	N / A.
Percentage of Council spend attributed to SMEs.	50% (75%).	52% (63%).	65% (67%).	66% (65%).	67% (61%).	68% (62).
Number of Local Suppliers (Local suppliers providing goods, services or works to the Council).	250 (225)	265 (228).	230 (238).	235 (249).	240.(217).	240 (294).

3. Value for money.	<p>Section 1, Local Government in Scotland Act 2003 places a statutory duty on the Council to secure best value. Procurement activities which deliver value for money will contribute to the achievement of value for money.</p> <p>Best Value is continuous improvement in the performance of the Council's functions. In accordance with Best Value principles all proposed and current services arrangements shall be subject to review and option appraisal.</p>
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	The aim of Council procurement must be the achievement of value for money (the optimum combination of whole life cost and quality) for the Council.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
3.1 To further develop tender evaluation procedures in order that contracts awarded represent value for money (or Most Economically Advantageous Tender where the full provisions of the Procurement Regulations apply) taking quality and price into consideration and not just lowest price.	Procurement advice and CSOs.	New Regulations June 2016 mandate regulated procurement and over to utilise Most Economically Advantageous Tender (MEAT) in all tender – CSOs reviewed in June 2016 include this requirement. Procurement Manual updated to include this.	June 2017.	Complete.
3.2. As part of value for money considerations the Council will take account of other relevant Council policies in relation to corporate social responsibility, sustainability and Community Benefits.	Sustainable Procurement Policy.	Example clause and link referring to Sustainable Procurement Policy included in all Invitation to Quote (ITQ) and Invitation to Tender (ITT) documentation issued by the CPU.	December 2017.	Complete.
		Procurement Bulletin distributed to Officers with Delegated Procurement featured new Sustainable Procurement Policy.	April 2019.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
3.3. To raise awareness internally of potential framework savings and make recommendations to ensure a more consistent approach across all Council services.	Awareness training and improve visibility of available framework agreements to service areas.	Awareness training provided to Corporate Admin Group.	March 2018.	Complete.
		Contract information on the staff portal reviewed and updated.	March 2018.	Complete.

Indicators: 3. Value for money.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022
Percentage savings target secured through increase on-contract spend.	1% (no systems in place to record this data).	2.5% (no systems in place to record this data).	N / A.	N / A.	N / A.	N / A.
Percentage of procurement spend covered by a contract.	55% (66%).	60% (78%).	80% (77%).	85% (91%).	88% (99%).	99% (83%).
Savings targets for frequently purchased items.	£50,000 (systems under development to record this).	£103,000 (systems under development to record this).	£97,000 (systems under development to record this).	TBC.	TBC.	TBC.

<p>4. Collaboration and partnering.</p>	<p>Greater efficiencies can be achieved by improved collaboration between different organisations within the public sector with similar requirements, whether within the local government sector or in other areas of the public sector, such as the Scottish Government, the Crown Commercial Service, Non-Departmental Public Bodies and the NHS. Collaboration maximise the value of procurement whether it be through aggregation of demand or through the sharing of resources to reduce administration.</p>
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
<p>4.1 Where collaborative arrangements provide a benefit to the Council there will be a strong presumption towards the use of contracts that have been established by Procurement Scotland (the national centre of procurement expertise) and Scotland Excel (the local government centre of procurement expertise).</p>	<p>Increase the use of framework agreements.</p>	<p>Use of frameworks the default position where no local market identified. Category C contracts only put in place where no local market or framework available that demonstrates best value.</p>	<p>June 2016.</p>	<p>Complete.</p>
		<p>New CSOs include section for framework agreements.</p>	<p>June 2016.</p>	<p>Complete.</p>

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
4.2. Where it is demonstrated that collaborative contracts represent value for money to the Council the use of such contracts should be mandatory across the Council to reduce off-contract buying.	Ensure all service areas are aware of collaborative contracts available and arrangement for purchasing goods and services.	Change programme review in progress to identify where use of framework agreements could be maximised. Now business as usual.	March 2018.	Complete.
		Procurement Bulletin distributed to Officers with Delegated Procurement featured new Sustainable Procurement Policy.	April 2019.	Complete.
4.3. Where there is a known local supply base as well as collaborative contracts available for the Council to use, a twin track approach should be used to ensure best value is achieved and the local market has the opportunity to respond to contract opportunities.	All procurement exercises considered on this basis on a case by case basis. Procurement Manual to incorporate this approach.	Procurement Manual updated to incorporate this where contracting opportunity is below the threshold for regulated procurements.	April 2019.	Complete.
4.4. To collaborate wherever possible with the various Centres of Expertise and Procurement Expertise to maximise the value of strategic procurement.	Links with Scotland Excel strengthened, and regular commercial User Intelligence Group held with area representative.	Increase in use of framework agreements and an increase in the range of framework providers utilised.	April 2019.	Complete.

Indicators: 4. Collaboration and partnering.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentages of contract spend utilising Collaborative Contracts.	15% (21.09%).	20% (19.78%).	22% (17.11%).	23% (14.47%).	25% (15.45%)	25% (13.82).
Percentage of locally based contractors participating in Collaborative / Framework Contract Opportunities.	0% (0%).	1% (0%)	1% (0%).	1% (0%).	1% (0%).	1% (0%).
Percentage of contract opportunities where local supply base has had the opportunity to submit bids.	N / A.	N / A.	10%. (systems under development to record this data).	15%. (system established for 2020 / 21 contract register).	20%. (reporting system remains to be fully implemented)	25%. (reporting system remains to be fully implemented)
Percentage of contract spend with local supplier base in Orkney.	50% (43%).	52% (41%).	50% (47%).	50% (41%).	50% (38%).	47% (41%).

5. Governance.	The Council currently has a highly devolved procurement structure with the majority of services still carrying out a sizeable procurement role. The culture of compliance with the Councils governance arrangements is difficult to manage. The Council expects that all possible attention is given to the issue of accountability and governance in the area of procurement.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
5.1 The Council's Procurement Member Officer Working Group (PMOWG) will consider the strategic direction of Procurement.	PMOWG re-established and terms of reference reviewed.	PMOWG Terms of Reference agreed.	April 2019.	Complete.
		PMOWG meets as needed throughout the year and has been amended to be a Consultative Group.	April 2019.	Complete.
5.2. The Council will introduce an embedded procurement officer network (a network of staff who are formally authorised to undertake procurement activities on behalf of the Council).	A network of lead procurement officers across service areas has been established. Delegated authority forms and guidance reviewed in consultation with Heads of Service.	Delegated authority forms reviewed and completed by relevant Directors.	April 2019.	Complete.
5.3. Suppliers will be given notice that goods, services and works should only be provided to the Council on the award of a contract or purchase order.	Confirm the position with colleagues in Finance.	This will be instigated when Purchase to Pay (P2P) has been established.	March 2020.	Correspondence sent to inform suppliers of new P2P system.
5.4. That no member of Council staff may award a contract or purchase order without written delegated authority.	CSOs and financial standing orders reviewed in 2014. (Reviewed again in 2016).	Register of Officers with delegated approval for procurement and purchase orders in place.	April 2019.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
5.5. The key roles of budget holder and procurer will not be performed by the same member of staff.	CSOs reviewed.	Highlighted to relevant service areas via discussions with key Managers Procurement Manual and CSOs reviewed.	April 2019.	Complete.
5.6. The Council will ensure there are no potential conflicts of interest in the procurement process.	Officers with delegated authority to carry out procurement to be made aware of the requirement to declare any potential conflict of interest.	Proforma form developed and in use by staff who are involved in the evaluation of tenders.	July 2017.	Complete.
5.7. The Council will comply with the Scottish Procurement Policy Handbook .	Scottish Government Routes 1, 2 and 3 are integral to the CSOs and the Procurement Manual.	CSOs and Procurement Manual are reviewed regularly (latest review carried out and completed in March 2018 for the CSOs and in April 2019 for the Procurement Manual). Future reviews scheduled for 2020, or when there are legislative changes.	July 2018 / April 2019.	Complete.
5.8. The Council will comply with the Contract Standing Orders .	CSOs updated to reflect new legislation. iLearn	Updated CSOs available on the Council Website and Staff Portal.	July 2017.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
	Procurement Awareness iLearn module developed.	iLearn training module under development.	March 2023.	TBC.

6. Contract management.	Active contract management is increasing across the Council with segmentation used to identify high value / high risk contracts to ensure targeting of staff resources to develop and apply a contract management plan at the implementation stage following contract award.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
6.1 To strengthen contract management procedures by holding regular meetings with major contractors to review performance and improve levels of contract compliance.	Contract management clause written into all relevant ITTs documentation.	Contract manager and administrator roles in place for Schools Investment Programme and high value / high risk projects.	March 2018.	Complete.
6.2. To roll out contract management arrangements to all high value high risk contractors.	Contract management clause written into all relevant ITTs. Segmentation approach to be embedded in proforma	Service areas responsible for contract management for works and part of the Joint Contracts Tribunal (JCT) / New Engineering Contracts (NEC). Services operate effective contract management in consultation with CPU.	March 2018.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
	documentation as appropriate.	Formal contract management proforma to be developed for service contracts. Enhanced section is now included in the Procurement Manual	April 2019.	Complete.
		Documentation to be updated to reflect segmentation and identification of high risk / high cost projects as appropriate. Included in the Procurement Manual update.	April 2019.	Complete.
6.3. Exit strategy to be considered and documented for all contracts where appropriate.	Exit strategy to be considered as an integral part of contract management.	Procurement manual to be updated to reflect the importance of exit strategies in contract management processes where appropriate to the subject matter of the contract.	April 2019.	Complete.

Indicators: 6. Contract management.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentage of contracts Classified as high value / high risk with an appropriate contract management plan in place.	25% (26.99%).	30% (53.85%).	60% (52.5%).	65% (57.98%).	70% (43.22%).	70% (61%).
Percentage of contracts with an exit plan in place where appropriate.	N / A.	N / A.	60% (no systems in place to record this data).	65% (system established for reporting in the 2020 / 21 contract register).	70%. (reporting system remains to be fully implemented)	70% . (reporting system remains to be fully implemented)
Percentage value of savings negotiated during the annualised contract period where there is a contract in place.	1% (no data available).	2% (no data available).	N / A.	N / A.	N / A.	N / A.
Percentage of contracts where improvements have been agreed and implemented.	1% (no data available).	2% (no data available).	N / A.	N / A.	N / A.	N / A.

7. Communication.	It is recognised that, key to the successful implementation of any new procurement processes or policy, there has to be an understanding amongst all stakeholders of the reasons behind such actions.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
7.1 To inform and advise its stakeholders by means of: Increasing the use of the Public Contracts Scotland website .	Promote the use of the PCS portal.	Significant increase in usage of PCS – Paper copies of tenders are now available on an exception basis only.	March 2020.	Complete.
7.2. Increasing the use of the procurement page on the Council's intranet (portal).	Increase awareness amongst council staff via bulletins and briefing notes to Senior Management Team (SMT) / Corporate Management Team (CMT).	Awareness raising ongoing amongst CPU staff and the network of procurement officers with delegated authority to carry out procurement is ongoing.	March 2018.	Complete.
7.3. Increasing the use of the procurement section of the Council's website.	Website information regularly updated.	Awareness raising via How to Tender workshops and Meet the Buyer Event.	August 2016.	Complete.
		Contracts register link on website and promoted via news item on the Council website.	August 2016.	Complete.
7.4. Increase attendance at 'meet the buyer' or equivalent events to cover areas of concern, engage with local suppliers and advice on how to become a supplier to the Council. Encourage main contractors to engage with SMEs through the inclusion of Community Benefit clauses.	Organise a Council wide Meet the Buyer event and consider joining the Supplier Development Requirement for Inclusion of Community Benefit clause now mandatory for all	Meet the Buyer events took place in August 2016, October 2017 and October 2018. Membership of the Supplier Development Programme. Continuing membership under review. Fourth Meet the Buyer Event held 9 October 2019. No event	August 2016.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
	contracts with a value of over £4m.	planned for 2020 / 21 given the pandemic.		
7.5. Encourage suppliers to the Council to access support available to business, via Business Gateway Orkney and the Supplier Development Programme.	Construction was one of the main focus areas for the Meet the Buyer Event (MTBE) on 25 August 2016.	MTBE 2018 October event planning commencing May 2018, a different focus planned for each next event, possibly Transport to be confirmed.	October 2018.	Complete.

8. e-Procurement.	The Council has yet to implement a process for the replacement of all paper-based purchase ordering systems with a modern e-Procurement system and where appropriate with corporate purchasing cards.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
8.1. To implement an e-Procurement system by December 2017.	PCS portal is used for all tender opportunities with a value of over £50,000 for goods and services and works providing an effective	PCS portal use is mandated across the Council. Contract award reminders sent out monthly to all service areas.	January 2018.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
	and secure e-procurement system.			
8.2. To consider (as appropriate) use of e-procurement tools (e.g. e tendering and e European Standard Procurement Document (ESPD) (i.e. PCS-Tender)).	Training of staff needed prior to authorised usage of PCS-Tender.	Training has been completed for PCS-Tender which took place in January 2018. Electronic-ESPD now available for PCS which is in use by a number of Procurement Officers.	December 2017	Complete.
8.3. To maximise the use of the PCS 'QQ' facility for low value / low risk procurements.	Briefing note distributed to all staff. Alternative methods of information dissemination iLearn modules under consideration.	QQ usage significantly increased – paper tenders only used on an exceptional basis only.	March 2018.	Complete.
		iLearn module under development.	March 2023.	TBC.

Indicators: 8. E-Procurement.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentage of invoices paid within 30 days.	80%.	90% (81%).	81% (81%).	77% (71%).	90% (84%).	85% (83%).

Indicators: 8. E-Procurement.	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).	Target (Actual).
	2016 to 2017.	2017 to 2018.	2018 to 2019.	2019 to 2020.	2020 to 2021.	2021 to 2022.
Percentage of invoices using e procurement / purchase to pay system.	4% (systems not in place yet).	25% (systems not in place yet).	60% (17%).	60% (32%).	60% (tbc)	100%.
Percentage of procurement undertaken using e tendering system i.e. PCS-Tender or ESPD Module.	N / A.	N / A.	10% (12%, applicable contracts 76%).	50% (36%, applicable contracts 90%).	100% (46.2% of applicable contracts).	100%.

9. Monitoring and measurement.	Performance measurement within the Council has developed significantly in recent years. In order to measure improvement in effectiveness and efficiency it is important that an agreed set of standard indicators are adopted. The methods of monitoring and measuring procurement performance are required to be proportionate to the scale and complexity of the Council's procurement activities.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
9.1. The Council will implement as standard, the Best Practice Indicators (BPIs) that were	BPIs uploaded to the procurement hub.	Key Performance Indicators (KPIs) reported on via corporate performance reporting system.	July 2017.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
recommended by the Public Procurement Reform Board as a means of measuring the effectiveness and efficiency of the procurement function.		Not all BPIs reported on directly, Performance Capability Assessment / PCIP pick up these in an alternative format.		
9.2. The PCIP performance reporting framework to be considered for incorporation and adoption of additional BPIs as appropriate.	Participation in the PCIP planned for July 2017.	Outcomes and recommendations from 2017 assessment incorporated into Procurement Improvement Plan.	March 2018. (Participation ongoing).	Complete.

10. Guidance.	An important aspect of the role of the procurement function is to provide guidance and advice to both Council services and to all stakeholders.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
10.1. The Council will continue to develop procedural guidance as follows: The introduction of standard procurement guidance.	Update procurement manual in line with 2016 legislation and to incorporate new Strategic commitments.	Procurement Manual updated.	July 2018.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
10.2 Provide training in the use of standard procurement guidance.	Training to be developed and accessible for existing and new staff members.	Training accessed via Scottish Government and disseminated to new staff prior to taking up delegated procurement officer duties. Basic operational training under development for roll out as an iLearn module.	December 2021.	On track.
10.3 To develop a purchasing guide for those involved in the ordering of supplies and services.	Procurement manual in place.	Procurement manual under reviewed to match updated CSOs. Liaise with finance / review of relevant procurement sections.	July 2018.	Complete.
		Purchase to pay procedures to be developed in conjunction with the Integra Project Team.	March 2020.	Complete.
10.4. To review and publish standard selection questionnaire (ESPD), tender documentation and standard letters.	Standard documentation developed and in place.	ESPD (which replaces the Pre-Qualification Questionnaire) Standard documentation is in place for supplies and services. JCT and NEC contracts utilised for engineering and works contracts. New CSOs provide for the adoption of the ESPD and use of Routes 1, 2 and 3 of the procurement journey ensuring that the most up to date documentation is used.	March 2019.	Complete.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
10.5. One suite of terms and conditions for all Council Requirements.	Standard terms and conditions under review.	Reviewed terms and conditions published on staff portal and Council website by end of 2017. New General Data Protection Regulations legislation incorporated and published on the Council's website.	May 2018	Complete.

11. Training.	The Council recognises that training and development are essential to an effective procurement function and that this is a key element of the McClelland Review and the ongoing Procurement Capability Assessments.
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Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
11.1. Develop training to ensure that procurement activities are compliant with legislation and obtaining value for money.	Training materials to be developed or accessed via Scottish Government or Scotland Excel training courses.	Training to ensure a wide range of officers both operational and at a strategic level were aware of the implications of the new legislation was undertaken in March 2016.	March 2016.	Complete.
		Suite of iLearn training modules under development.	March 2023.	TBC.

Council Commitment.	Action.	Progress to Date.	Completion date.	Status.
11.2. Develop a training plan to meet the training needs of the Network of Procurement Officers with Delegated Authority to carry out procurement activities. Ensure that Procurement Officers with Delegated Authority receive training in relevant legislation when changes take place.	Procurement awareness iLearn and fraud awareness under development. Resources for sustainable procurement and contract management iLearn modules or similar to be identified.	Draft training plan to include a suite of iLearn modules under development to include, procurement awareness, contract management, sustainable procurement and procurement fraud awareness. Consideration of potential e learning modules in progress. Still under development.	March 2023.	TBC.
			March 2023.	TBC.
11.3. To maintain a lessons learned log to ensure that organisational learning is captured and available for continuous improvement.	Distribute lessons learned log to network of Procurement Officers with delegated authority and share materials from training events attended by senior officers where relevant.	Lessons learned log updated on a regular basis, located on the staff portal and referred to in a briefing note to SMT / CMT.	November 2017.	Completed.

Appendix 3 – Forward Plan for Regulated and Unregulated Procurements April 2022 to March 2024

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Cleaning Services (Waiting Rooms and Public Conveniences various mainland and island locations).	Re-let.	Various 2020 to 2022.	Various throughout 2020 to 2022.	Various throughout 2020 to 2022.	TBC.	Unregulated.
Vehicles and Plant replacement.	New.	Various throughout 2022 and 2023.	TBC.	TBC.	£1,800,000 per financial year.	Regulated / Unregulated.
Vessel Re-fits 2022 individual contracts.	Re-let.	Various throughout 2022 and 2026.	TBC.	TBC.	TBC.	Regulated.
Vessel Re-fit and Strategic Repair Framework 2023 to 2027.	New and re-let.	Various throughout 2023 to 2027.	Various throughout 2023 to 2027.	Various throughout 2023 to 2027.	£8,000,000 over potential 4-year duration	Regulated.
Service Reviews Cultural Services, Library and Archive, and Leisure Services.	New	Autumn 2022	Winter 2022	2022/23	£160,000.	Unregulated / Unregulated
Supply of Food Various	Re-Let	September 2022 to June 2023.	November 2022 to July 2023	November 2022 to July 2023	£4,000,000 over potential 5-year duration	Regulated.
New Nursery Service Operation	New	TBC	TBC	TBC	TBC	Regulated

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Provision of School Teacher Transport – Various	Re-let. To be reviewed.	TBC	Late 2022	2023	TBC (2-year contract).	Unregulated.
Paper and Stationery Supply.	New.	2022/ 2023.	TBC.	TBC.	TBC.	Regulated.
Various IT Contracts.	New and Re let.	Various 2022 to 2024.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Banking Services.	Re-let.	Prior to end of 2022/ early 2023.	Autumn 2022.	Autumn 2022.	£72,000 (4-year contract).	Regulated.
Provision of Care and Repair Services.	Re-let.	Winter 2022.	Winter 2022.	Spring 2023.	TBC (5-year contract).	Regulated.
Provision of Business Gateway Services.	Re-let.	Autumn 2022.	Autumn 2022.	December 2022.	£520,000 (5-year contract).	Regulated.
Boiler and Controls replacement Stromness Swimming Pool.	New.	Autumn 2023.	Winter 2023 / 2024.	Winter 2023 / 2024.	£150,000.	Unregulated.
External Wall Insulation to Hope Primary.	New.	Spring 2023.	Spring 2023.	Summer 2023.	£402,000.	Unregulated.
Soulisquoy Infrastructure.	New.	Winter 2022/23.	Spring 2023.	Summer 2023.	£3,000,000.	Regulated.
Demolition of the Former Papdale Halls of Residence.	New.	TBC.	TBC.	TBC.	£2,500,000.	Regulated.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Stronsay and Eday School Transport Services.	Re-let.	Autumn / Winter 2021.	December 2021.	January 2022.	TBC.	Regulated.
Scapa Shore Power Upgrade: Civils.	New.	2022.	2022.	2022.	£180,000.	Unregulated.
Kirkwall Pier Refurbishment Ph3.	New.	2022.	2022.	2022.	£400,000.	Unregulated.
Hatston Pier Marshalling Area.	New.	2022.	2022.	2022.	£250,000.	Unregulated.
Salt Barn D&C.	New.	2022.	2022.	2022.	£750,000.	Unregulated.
Kirkwall Pier Break Tanks D&C	New	2023	2023	2023	250,000	
Roads Maintenance 2022/23: A965 Finstown West	New	Nov 2022	Jan 2023	Feb 2023	200,000	Unregulated.
Roads Maintenance 2022/23: A965 Finstown drainage	New	2023	2023	2023	100,000	Unregulated.
Kirkwall SWMP Modelling PSC	New	Nov 2022	Dec 2022	Jan 2023	60,000	Unregulated
Cursiter Quarry Geotechnical Assessment PSC	New	Nov 2022	Dec 2022	Jan 2023	10,000	Unregulated

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Orkney Coastal LiDAR	New	Nov 2022	Jan 2023	April 2023	175,000	Unregulated
Roads Maintenance 2023/24: surfacing	New	Mar 2023	May 2023	June 2023	tbc	Unregulated
Roads Maintenance 2023/24: bridges	New	2023	2023	2023	tbc	Unregulated
Pier Fender Re-design and installation (Kirkwall & Lyness)	New	2023	2023	2023	160,000	Unregulated
Kirkwall Pier Deck Slab Replacement (North Pier)	New	2023	2023	2023	185,000	Unregulated
Pier Lighting Replacements - various	New	2023	2023	2023	tbc	Unregulated
Hatston Slip Repairs	New	2023	2023	2023	100,000	Unregulated
A961 Road Realignment	New	2023	2023	2023	2,000,000	Regulated / Unregulated
Geotechnical Investigation – Orkney Community Wind Farms	New	2023	2023	2023	200,000	Unregulated
Kirkwall Town Hall – External Stone Works.	New.	Spring 2024.	Spring 2024.	Summer 2024.	£450,000.	Unregulated.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Orphir School External Wall Insulation and Boiler Replacement.	New.	Winter 2023.	Spring 2024.	Spring 2024.	£462,000.	Unregulated.
Pickaquoy Centre – Running Track Replacement.	New.	Winter 2022/23.	Spring 2023.	July 2023.	£161,000.	Unregulated.
Garden House.	New.	Winter 2022/23.	Spring 2023.	Spring 2023.	£900,000.	Unregulated.
New Kirkwall Nursery.	New.	Winter 2022.	Spring 2023.	Spring 2023	£1,800,000.	Unregulated.
Cathedral Boilers.	New.	Winter 2022.	Winter 2022.	Spring 2023.	£100,000.	Unregulated.
Ness Campsite Drainage.	New.	Winter 2022.	Winter 2022.	Spring 2023.	£100,000.	Unregulated.
Oil Boiler Maintenance (oct 22).	Re-let.	Autumn 2022.	Autumn 2022.	Autumn 2022.	TBC.	Unregulated.
Fire Fighting Equipment Maintenance.	New.	Summer 2022.	Summer 2022.	Summer 2022.	TBC.	Unregulated.
Duct Hygiene cleaning of ventilation duct work (3 year contract)	Re-let	Winter 2023/24	Winter 2023/24	Winter 2023/24	£120,000	Unregulated
Water Services Management (3 year contract)	Re-let	Winter 2023/24	Winter 2023/24	Winter 2023/24	£214,000	Unregulated
Fixed Gym Equipment (3 year contract)	Re-let	Spring 2024	Spring 2024	Summer 2024	£214,000	Unregulated

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Grease Filter Cleaning (3 year contract)	Re-let	Autumn 2023	Autumn 2023	Autumn 2023	£140,000	Unregulated
Vermin control (3 year contract)	Re-let	Spring 2024	Spring 2024	Spring 2024	£90,000	Unregulated
PSO Air Services (4 year contract)	Re-Let	Spring 2024	Autumn 2024	Spring 2025	TBC.	Regulated

Anticipated Long Term Capital Projects.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Orkney Integrated Waste Management facility.	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Renewables Project (Scale Wind) various.	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Renewables Project (Scale Wind) owners engineer.	New	Winter 2022	TBC	TBC	TBC	Regulated
Renewables Project (Scale Wind) Turbine Construction and infrastructure	New	TBC	TBC	TBC	TBC	Regulated
Private Wire Project various.	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Port Master Plan Various.	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Scapa Deep Water Quay Development	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
Orkney Logistics Base Hatston	New.	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.
North Walls School Insulation upgrade	New	TBC.	TBC.	TBC.	TBC.	Regulated / Unregulated.

Subject matter of Contract.	New / Extended / Re-let.	Expected Contract Notice / Publication Date.	Expected Award Date.	Expected Start Date.	Estimated Value of the Contract (£).	Regulated / Unregulated.
Papdale Primary School – Thermal upgrade	New	Spring 2023	Spring 2023	Summer 2023	£110,000	Unregulated
Stromness Academy Thermal upgrade Ph 5, 6 & 7	New	Spring 2023	Summer 2023	Summer 2023	TBC	Unregulated
Stromness Town Hall – Boiler replacement	New	Winter 2022/23	Spring 2023	Summer 2023	£60,000	Unregulated

Appendix 4 - Public Procurement Priorities – Public Sector Organisation Progress Report FY 2022-23

Guidance: Please complete a short narrative on your organisation’s overall progress against the Priorities (max 300 words) and the boxes below to indicate your organisation’s progress. The Priorities and their Aims (Table 1) and suggested Success Indicators (Table 2) are included as a guide below. The indicators are precisely that – you may have other examples of how you have delivered against the Priorities.

Organisation	Please enter the name of your organisation and author (of the response)
Date	Please enter the completion date

<p>Summary Narrative of Progress against the 7 Priorities (300 words)</p> <p>Please use this space to provide a high-level overview of progress against the Priorities. Are there any Priorities that you have focused on? Are there specific activities that you have undertaken? Do you wish to share any best practice examples?</p>
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Progress Indicator (Place an ‘x’ in the box that best represents progress – do so for each priority)				
Priority	Fully Delivered	Good Progress	Partial Progress	No Progress
Leadership & visibility	Place an ‘x’ in the box that best represents progress			
Sustainable economic recovery				
Supply chain resilience (Public Sector)				
Maximise impact of the Sustainable Procurement Duty				
Climate emergency				
Achieving professional excellence				
Develop our use of systems to drive sustainable outcomes and support reporting				

Table 1: The Public Procurement Priorities and their Aims

Priority	Leadership & visibility	Sustainable economic recovery	Supply chain resilience (Public Sector)	Maximise impact of the Sustainable Procurement Duty	Climate emergency (including carbon reduction and circular economy)	Achieving professional excellence (against national policy and standards)	Develop our systems to drive sustainable outcomes and support reporting
Aims	Engage and influence organisation leaders and stakeholders	Mainstream Sustainable Procurement and related tools	Manage business continuity through supply chain shocks	Understand and exploit any flexibility within current rules and our international obligations to support economic recovery	Embed climate considerations in a 'whether', 'what', 'how' and 'how much' we buy approach	Create and develop the talent we require now, and in the future, to deliver on our ambitions	Embed national and tailored sectoral systems and best practice tools across the Scottish public sector and supply base
	Raise profile with better communications internally & externally	Use of intelligent data & local partnerships	Build/support immediate and longer-term resilience in critical supply chains	Explore further options to maximise priority outcomes and financial wellbeing to ensure Scotland maintains its competitive position in the world	Integrate climate action in contract and supplier management activities	Develop and/or implement collaborative targeted capability programmes to build skills and competencies, driving consistency in approaches	Increase the visibility / use of other systems in use across sectors
	Identify and own escalated issues	Inclusive & responsible supply chains	Collaborate on opportunities to grow capacity & capability in targeted sustainable supply chains		Seek local leaders, stakeholders and suppliers commitment to developing cross-functional roadmaps that exploit opportunities for economic development while delivering on our climate ambitions	Ensure that training and professional development continues to be available to the sector during the pandemic and post-pandemic period	Develop a strategy to enable the sharing of these systems and tools across sectors to enhance outcomes
Understand what good looks like, tracking performance and tackling opportunities to deliver better outcomes							

Table 2: The Public Procurement Priorities and Success Indicators – What success could look like¹

Priority	Leadership & visibility	Sustainable economic recovery	Supply chain resilience (Public Sector)	Maximise impact of the Sustainable Procurement Duty	Climate emergency (including carbon reduction and circular economy)	Achieving professional excellence (against national policy and standards)	Develop our systems to drive sustainable outcomes and support reporting
<p>Delivery/ Success Statement</p> <p>(What success <i>could</i> look like)</p>	<p>Increasing the visibility of procurement.</p> <p>Reviewing and refreshing existing engagement with key stakeholders.</p> <p>Improving communications.</p> <p>Empowering leaders to understand their role in driving impactful procurement.</p> <p>Identification, management, and mitigation of potential risk.</p> <p>Identifying opportunities for cross-sector and cross-functional working.</p>	<p>Utilising Sustainable Procurement tools to support the delivery of social, economic, or environmental benefits for communities (local or connected through supply chains).</p> <p>Utilising responsible procurement practices.</p> <p>Creating opportunities for local and third sector businesses to bid for, and win, contracts.</p> <p>Using data, where appropriate, to support well-reasoned decision making and highlight future opportunities.</p>	<p>Being dependable to partners within supply chains, taking adequate precaution against supply chain disruption.</p> <p>Arranging contingency processes should conventional ways of working be disrupted by unforeseen or unpredicted events.</p> <p>Where offset of risk is impossible, having a process for the mitigation and management of potentially disruptive events.</p> <p>Where possible, working collaboratively to both reinforce and grow links in supply chains.</p>	<p>Utilising the Sustainable Procurement Duty to deliver social, economic and/or environmental benefits from organisational spend.</p> <p>Using the duty to advance other key shared priorities as it relates to Fair Work, Circular Economy, Community Wealth Building, increasing access to skills development and training.</p>	<p>Identifying and mitigating risks within your org's supply chains.</p> <p>Reporting against specific priorities in annual reports.</p> <p>Utilising existing tools and service to access guidance and resources.</p> <p>Carbon mapping to understand procurement activity emissions.</p> <p>Using climate impact reduction road-mapping.</p> <p>Aligning climate and economic development objectives.</p> <p>Sourcing guidance from benchmarking and best practice .</p>	<p>Promoting training and development to support the professionalisation of procurement in Scotland.</p> <p>Taking steps to enhance commercial capability of procurement teams and championing continuous improvement.</p> <p>Working collaboratively to share best practice and contribute to knowledge sharing with similarly oriented organisations.</p> <p>Creating development plans aligned to the Procurement Competency Framework</p>	<p>Development of organisational norms around the use of PCS, PCS-T, Procurement Hub & PECOS.</p> <p>Commitment to improving competence with and familiarity of updates to system/service functionality.</p> <p>Ensuring that relevant personnel have the required competence to utilise systems in order to deliver on key shared priorities.</p>

¹ The Delivery/ Success statements **in full** can be found at [Public Procurement Priorities](#)

