



# Corporate Procurement Strategy

2024-2025

Sustainable procurement - making a real difference



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# INTRODUCTION

The Corporate Procurement Strategy 2024-25 sets out Scottish Borders Council's procurement strategic themes, objectives and actions over the period.

It is designed to meet the Council's statutory obligations under the Procurement Reform (Scotland) Act 2014 whilst also setting out how the Corporate Procurement Service will support the achievement of the outcomes set out in both the Council Plan and the Public Procurement Strategy for Scotland. It is expected that in future years the Corporate Procurement Strategy will also contribute to and align with the Council's Commissioning Strategy which is currently in development.

This strategy builds on the achievements of the previous Commercial and Commissioned Services Strategy 2018-2023 and current Corporate Procurement Strategy 2023-24. The strategic themes and objectives are intended to be relevant beyond the one year timescale of the plan but are accompanied by specific actions that can realistically be implemented within financial year 2024-25. The expected outcomes are likewise designed to be stretching but achievable.

To support understanding of the terminology used across this document a glossary is provided of commonly used terms at the end. This aims to provide brief, user-friendly definitions of words, acronyms and phrases commonly used in relation to public sector procurement.

# VISION AND MISSION STATEMENT

The following vision and mission statement for the Corporate Procurement Service have been established to support the delivery of Council's vision and priorities as set out in the Council Plan.

## Vision

The Corporate Procurement Service is considered a strategic partner within the Council. It gives expert advice, encourages and embeds commercial thinking, and provides effective support to Council services to deliver on the Council Plan.

## Mission Statement

To provide an effective, efficient procurement service which ensures legislative compliance, delivers Best Value, and contributes to Council and wider public sector policy priorities.

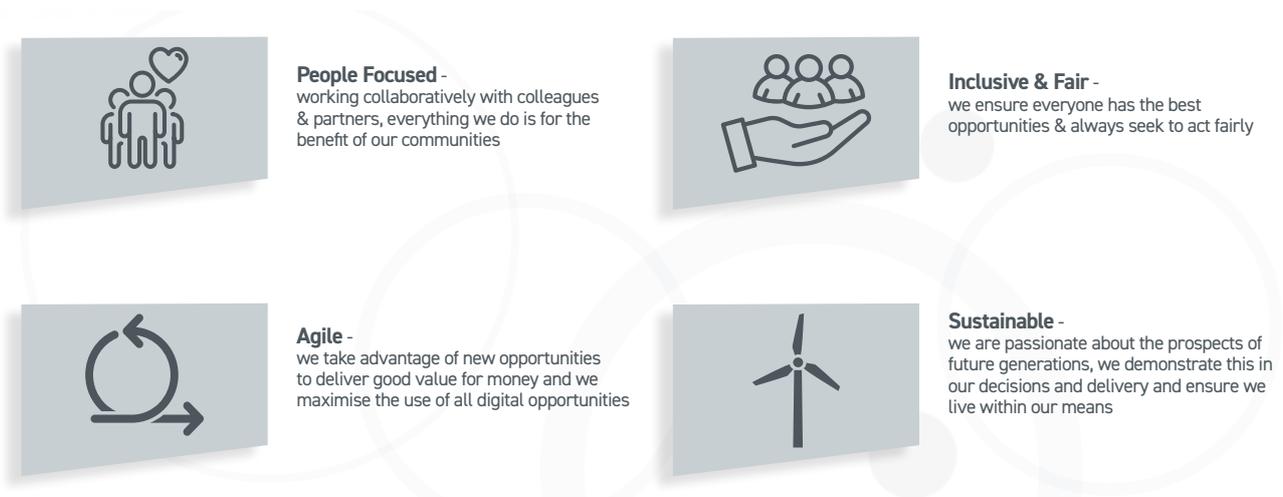


# STRATEGY RATIONALE AND CONTEXT

## Council Plan

The Council Plan sets out the values, vision and priorities for the Scottish Borders out to 2033. It is refreshed annually and outlines what we want to achieve, how we want to do it, and reports on progress towards delivering on the outcomes contained in the plan.

## Our Values



The Council Plan incorporates 6 outcomes that we aim to deliver for the Scottish Borders.



Five of these outcomes focus on improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit. The sixth outcome is about developing a Council that is as effective and efficient as it can be – we need to do this in order to deliver on the other five outcomes.

FOCUS	OUTCOMES
Improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit.	Clean Green Future
	Fulfilling Our Potential
	Strong Inclusive Economy, Transport and Infrastructure
	Empowered, Vibrant Communities
	Good Health and Wellbeing
Developing a Council that is as effective and efficient as it can be.	Working Together Improving Lives

## Public Procurement Strategy for Scotland 2023-28

In April 2023 the Scottish Government published its first Public Procurement Strategy for Scotland. Developed by representatives from the Scottish Government and the Procurement Centres of Excellence (including Scotland Excel), the strategy is intended to provide a high-level vision for Scottish public sector procurement up to 2028. The stated vision for the strategy is:

“Putting public procurement at the heart of a sustainable economy to maximise value for the people of Scotland.”

The strategy identifies enablers required to achieve the outcomes stated in the strategy:

- Procurement Capability
- Supplier Development
- Engagement
- Collaboration

The four outcomes themselves are aligned to the National Performance Framework.



### Specific outcomes include:

- Early engagement with suppliers
- Proportionate contract management
- Reducing barriers to SMEs, Third Sector and Supported Businesses
- Community Wealth Building
- Contributing to Net Zero

## Climate Change Route Map

Recognising the climate emergency and national target to achieve net zero by 2045, the Council has published a Climate Change Route Map (CCRM). It sets out the scope of the Council's ambition to reach the net zero by 2045 and opportunities for action with milestones set out across five core themes:

- Resilience
- Transport Use
- Nature Based Solutions
- Energy
- Waste Management

The Corporate Procurement Service has a key role to play in ensuring that all procurement activity is aligned with and supports the CCRM.

## Financial Pressures

The Council is operating under the same significant financial pressures which are affecting the whole of the public sector. This includes the aftereffects of Covid, increases in energy costs and other inflationary pressures, constrained budget settlements and increased demand for its services. In order to meet these pressures, the Council has approved a corporate savings target of £13.7m over the next 5 years.

The Corporate Procurement Service will play an important part in supporting the achievement of these planned savings and ensuring that the maximum benefit is gained from every £ spent on externally procured goods, services and works. It can do this, for example, by improving and streamlining its own processes whilst working with services to reduce off-contract spend, non-compliance with procurement and purchasing policies, and by supporting the development of effective contract management.

## Service Challenges

The past two years have seen a period of significant change within the procurement function at Scottish Borders Council. During this period, the previous senior management team of the service retired, and the function has been gradually restructured. In June 2022 the Social Care contracts team transferred to the new Commissioning and Strategic Partnerships directorate and in October 2023 the Accounts Payable team transferred to the new Treasury & Statutory Reporting team. The function itself, previously known as Commercial and Commissioned Services, was formally renamed the Corporate Procurement Service in February 2023.

Recruitment has been a significant challenge, with a number of vacancies remaining unfilled for sometimes prolonged periods. Several new members of staff have now been recruited and others promoted into more senior roles but there remain gaps in terms of procurement experience.

A key driver of the Corporate Procurement Strategy, therefore, is to improve capability and address skills gaps through training and development of the procurement team.

# STRATEGIC THEMES AND OBJECTIVES

For this strategy, the Corporate Procurement Service has the following key strategic themes and associated objectives:

Theme	Objective
Local Economy	grow the Borders economy and support Community Wealth Building by enabling and encouraging local businesses (particularly SMEs and Third Sector organisations) to access public sector opportunities whilst promoting Fair Work.
Climate Change	contribute towards delivering the Scottish Borders Climate Change Route Map.
Contract and Supplier Management	support services to develop and implement effective, consistent and proportionate contract and supplier management.
Community Benefits	maximise the community benefits delivered through Council contracts.
Procurement Capability	improve the efficiency and effectiveness of the procurement function, fostering a culture of continuous improvement.
Financial Pressures	support services to meet ongoing financial pressures.

These themes and objectives, how they link to the Council Plan and Public Procurement Strategy for Scotland, the actions we will take to achieve them, and the expected outcomes are explored in more detail below.

## Local Economy

Objective:	
<ul style="list-style-type: none"> <li>grow the Borders economy and support Community Wealth Building by enabling and encouraging local businesses (particularly SMEs and Third Sector organisations) to access public sector opportunities whilst promoting Fair Work</li> </ul>	
Links	
Council Plan	<ul style="list-style-type: none"> <li>Strong Inclusive Economy, Transport and Infrastructure</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>Good for Businesses and their Employees</li> <li>Good for Places and Communities</li> <li>Good for Society</li> </ul>
Actions	
<ul style="list-style-type: none"> <li>improve data held on local suppliers</li> <li>ensure where possible that unregulated procurements include a local bidder</li> <li>further develop local meet the buyer events</li> <li>support suppliers to access local and national framework agreements, working with Supplier Development Programme</li> <li>continue to maintain local framework agreements where national opportunities are not suitable</li> <li>Fair Work First mandated as an award criteria on all relevant procurements</li> </ul>	
Expected Outcome(s)	
<ul style="list-style-type: none"> <li>maintain and increase percentage of local spend</li> </ul>	

## Climate Change

<b>Objective:</b>	
<ul style="list-style-type: none"> <li>contribute towards delivering the Scottish Borders Climate Change Route Map</li> </ul>	
<b>Links</b>	
Council Plan	<ul style="list-style-type: none"> <li>Clean Green Future</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>Good for Places and Communities</li> </ul>
<b>Actions</b>	
<ul style="list-style-type: none"> <li>engage early, challenge and support services to develop specifications incorporating climate considerations</li> <li>sustainability tests to be carried out for all regulated tenders</li> <li>proportionate and appropriate use of relevant selection criteria for all tenders</li> <li>proportionate and appropriate use of climate focussed award criteria in all procurements</li> <li>record and report how each regulated procurement supports CCRM</li> <li>procurement staff to complete all relevant courses available via Scottish Government's Procurement and Property Directorate and Scotland Excel</li> </ul>	
<b>Expected Outcome(s)</b>	
<ul style="list-style-type: none"> <li>proportionate consideration of climate change in all regulated procurements</li> <li>clearly demonstrate how procurement is supporting delivery of the CCRM</li> </ul>	

## Contract and Supplier Management

<b>Objective:</b>	
<ul style="list-style-type: none"> <li>support services to develop and implement effective, consistent and proportionate contract and supplier management</li> </ul>	
<b>Links</b>	
Council Plan	<ul style="list-style-type: none"> <li>Working Together Improving Lives</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>Good for Businesses and their Employees</li> </ul>
<b>Actions</b>	
<ul style="list-style-type: none"> <li>relaunch of contract management software platform</li> <li>provide additional contract management training to services</li> <li>ensure appropriate contract management measures (e.g. KPIs, mobilisation, risks and exit plans, service credits and relevant terms &amp; conditions) are incorporated at procurement stage</li> </ul>	
<b>Expected Outcome(s)</b>	
<ul style="list-style-type: none"> <li>contract management is embedded within services</li> </ul>	

## Community Benefits

<b>Objective:</b>	
<ul style="list-style-type: none"> <li>maximise the community benefits delivered through Council contracts</li> </ul>	
<b>Links</b>	
Council Plan	<ul style="list-style-type: none"> <li>Strong Inclusive Economy, Transport and Infrastructure</li> <li>Empowered, Vibrant Communities</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>Good for Places and Communities</li> </ul>
<b>Actions</b>	
<ul style="list-style-type: none"> <li>tackle supplier non-compliance with Community Benefit clauses</li> <li>ensure that framework agreement derived Community Benefits are delivered</li> <li>improve coordination and collaboration on Hub South East projects (with a focus on employability to support Community Wealth Building)</li> <li>implement mechanisms to match Community Benefits supply and demand</li> </ul>	
<b>Expected Outcome(s)</b>	
<ul style="list-style-type: none"> <li>increase total community benefits delivered</li> <li>increase in employability Community Benefits</li> </ul>	

## Procurement Capability

<b>Objective:</b>	
<ul style="list-style-type: none"> <li>improve the efficiency and effectiveness of the procurement function, fostering a culture of continuous improvement</li> </ul>	
<b>Links</b>	
Council Plan	<ul style="list-style-type: none"> <li>Working Together Improving Lives</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>Enabler - Procurement Capability</li> </ul>
<b>Actions</b>	
<ul style="list-style-type: none"> <li>act on outcomes of PCIP assessment</li> <li>assess procurement team skills and knowledge against National Competency Framework</li> <li>develop individual training plans to address skills and knowledge gaps</li> <li>ensure that procurement team undertake training and qualifications appropriate to their role</li> <li>undertake customer satisfaction surveys</li> <li>maximise the use of technology to increase productivity</li> <li>further standardisation and streamlining of procurement documentation and processes</li> <li>review current approach to category management</li> </ul>	
<b>Expected Outcome(s)</b>	
<ul style="list-style-type: none"> <li>demonstrable increase in skills and knowledge of the procurement team</li> <li>increased customer satisfaction</li> </ul>	

## Financial Pressures

Objective:	
<ul style="list-style-type: none"> <li>• support services to meet ongoing financial pressures</li> </ul>	
Links	
Council Plan	<ul style="list-style-type: none"> <li>• Working Together Improving Lives</li> </ul>
Public Procurement Strategy for Scotland	<ul style="list-style-type: none"> <li>• Good for Society</li> </ul>
Actions	
<ul style="list-style-type: none"> <li>• identify and address off-contract spend</li> <li>• identify potential savings via demand management</li> <li>• increase use of collaborative agreements where possible/appropriate</li> <li>• mitigate unavoidable cost increases through contract price reviews and adopting appropriate terms and conditions</li> <li>• review increase in non-competitive actions and address</li> <li>• reduction in purchase card non-compliance</li> </ul>	
Expected Outcome(s)	
<ul style="list-style-type: none"> <li>• reduction in off-contract spend</li> <li>• reduction in non-competitive actions</li> <li>• reduction in non-compliance</li> </ul>	

# MEETING STATUTORY REQUIREMENTS

The Corporate Procurement Strategy has been developed to comply with procurement legislation and national policy guidance. The strategic themes and objectives are designed to support implementation of, and in some instances go beyond, the statutory obligations which are detailed below with links back to the relevant theme(s) and objectives(s).

## Legislative Framework

Public procurement is governed by a legislative framework which sets out how we buy goods, services and works over the regulated thresholds as well as general duties which must be observed by Scottish Borders Council:

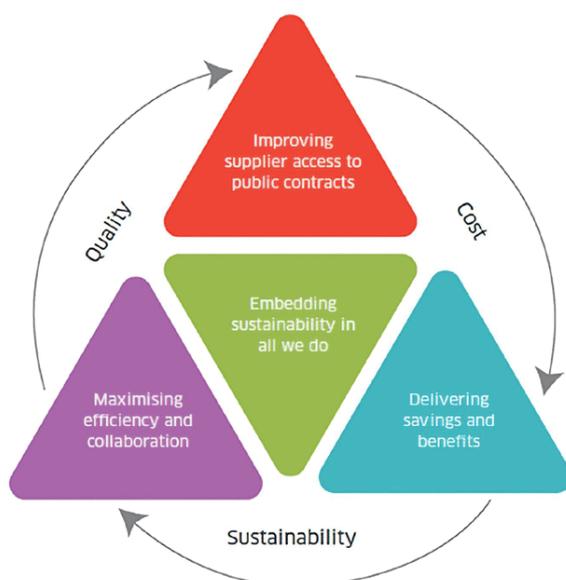
- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016
- The Utilities Contracts (Scotland) Regulations 2016
- The Concession Contracts (Scotland) Regulations 2016

The Procurement Reform Act in particular sets out a number of specific requirements which must be included in the organisational procurement strategy. The first requirement is for a public body to set out how it's regulated procurements will contribute to the carrying out of its functions and achievement of its aims, and is covered by the preceding sections. The remaining requirements are addressed below.

## Value for Money

Public authorities are obligated within their Procurement Strategy to set out how it will achieve value for money in relation to its regulated procurements.

Scottish Borders Council will do so in general terms by adopting the approach to balancing cost, quality and sustainability set out in the Scottish Model of Procurement.



Individual procurement projects will take into consideration opportunities to reduce cost, improve efficiencies or generate additional value. These opportunities may include:

Market Knowledge	<ul style="list-style-type: none"> <li>• Use of category knowledge to inform route to market</li> </ul>
Reduced Price	<ul style="list-style-type: none"> <li>• Appropriate use of competition to reduce price paid</li> <li>• Using data to better understand costs across specific areas of spend</li> </ul>
Whole Life Costing	<ul style="list-style-type: none"> <li>• Increased use of whole life costing models to reduce ongoing costs</li> </ul>
Cost Avoidance	<ul style="list-style-type: none"> <li>• Mitigation of cost increases</li> </ul>
Improved Efficiency	<ul style="list-style-type: none"> <li>• Use of technology to simplify and reduce the cost of tendering, P2P cycle and contract management</li> </ul>
Demand Management	<ul style="list-style-type: none"> <li>• Reduction or change in how demand is fulfilled</li> <li>• Identification of lower cost, innovative or alternative solutions</li> </ul>
Collaboration	<ul style="list-style-type: none"> <li>• Use of framework agreements to aggregate spend and produce economies of scale</li> </ul>
Contract & Supplier Management	<ul style="list-style-type: none"> <li>• Reduction in rolling over of contracts</li> <li>• Improved management to maximise value</li> </ul>

### [Financial Pressures; Contract and Supplier Management](#)

## General Duties

The Procurement Reform Act places a general duty on Scottish public authorities to ensure that all regulated procurement activity will:

- Treat suppliers equally and without discrimination
- Be transparent and proportionate

In support of this, Scottish Borders Council will seek to minimise barriers to participation. We will work closely with the Supplier Development Programme and South of Scotland Enterprise to enable and encourage a diverse range of organisations to access opportunities in our supply chain and enable SMEs to bid for work by lotting our contracts and framework agreements appropriately.

### [Local Economy](#)

## Sustainable Procurement Duty

The Sustainable Procurement Duty obligates Scottish public authorities to consider how their procurements can improve social, economic and environmental wellbeing, with a particular focus on reducing inequalities. Another important area is how public authorities facilitate the involvement of SME's, Third Sector bodies and Supported Businesses and how it will use procurement to promote innovation. Of equal importance is the consideration of any environmental opportunities by considering the impact of the procurement on, for instance, climate change, waste production or scarce materials.



To meet this duty, Scottish Borders Council has adopted a 'Sustainable Procurement Charter' which covers all of these key factors and is included as an Appendix.

The charter brings together different areas of policy, each of which contribute to our commitment to working in an ethical, responsible and sustainable way and clearly defines our commitment to suppliers in terms of our practices across important areas such as the importance of equalities, encouragement of the Living Wage and consideration of our local market, while including the principles and standards being sought from suppliers covering our zero tolerance approach to Modern Slavery and human trafficking, compliance with Health & Safety requirements and Data Protection considerations.

[Local Economy; Climate Change](#)

## Community Benefits

Community Benefit or 'social value' requirements in public sector procurement ensures that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. The delivery of additional benefit beyond the core purpose of a contract opportunity can help to maximise the impact of public authorities' spending on local communities and is achieved through the inclusion of community benefit requirements within contracts and framework agreements.

The statutory community benefit requirement introduced by the Procurement Reform (Scotland) Act 2014, applies to contracts, including framework agreements and call-off contracts, which are estimated to be valued at £4 million or over.

Scottish Borders Council policy does not aim to prescribe any specific value-based threshold but requires the contract owner to consider the inclusion of community benefits where the total estimated value of the contract exceeds £50,000.

The community benefit requirement for each contract should be considered on a case-by-case basis and in every case where added value is considered, it must be proportionate and avoid creating an unnecessary burden on the supply chain.

[Community Benefits](#)

## Stakeholder Consultation/Engagement

At the beginning of and during procurement activity we will identify, engage and consult with stakeholder groups, as appropriate, which may include:

- The community
- The users of the service to be procured/commissioned
- The market
- Other Council Services/colleagues

This engagement will be proportionate to the project scale and may take a number of forms, such as online, face to face, or the creation of a focus group with appropriate representation of those involved or affected by the particular activity.

## Scottish Procurement Policy Notes

Legislation is supplemented by statutory guidance issued by the Scottish Government in the form of Scottish Procurement Policy Notes (SPPNs) which offer policy directions and advice on the implementation of statutory duties.

Key SPPNs include:

### **SPPN 3/2022: taking account of climate and circular economy considerations**

Aligns climate change reporting duties with procurement policy and legislation which requires public bodies to consider and act on opportunities to improve social and environmental wellbeing.

We are working with the SBC climate change officer to report ongoing progress against climate change and circular economy commitments. Procurement use the Scottish Governments Sustainable Procurement Tools to consider and act on a number of climate change considerations.

#### [Climate Change](#)

### **SPPN 2/2022: prompt payment in the supply chain**

Prompt payment is critical to the sustainability and resilience of the supply chain. The payment indicator at Scottish Borders consistently exceeds the target figure of 93% on invoices paid within 30 days and due consideration is given to implementation of prompt payment requirements through the supply chain on a contract-by-contract basis.

### **SPPN 6/2021: Fair Work First implementation**

Fair Work First (FWF) asks businesses bidding for a public contract to commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- providing fair pay for workers (for example, payment of the real Living Wage)
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and rehire practices.

FWF criteria are taken into consideration in all procurement processes. Further, where relevant SBC have made payment of the real living wage for certain contracts as part of the tender process.

#### [Local Economy](#)

# SPEND PROFILE

During 2022/2023, the Council spent approximately £200m with external suppliers across revenue and capital expenditure. The tables below lay out how that money is spent. This information is exported from the Scottish Procurement Information Hub.

## Spend by Category

ProClass Group Spend	Total Spend (£)	ProClass Group	Total Spend
Arts & Leisure Services	£6,934,100	Highway Equipment & Materials	£4,450,678
Catering	£2,715,287	Horticultural	£1,222,481
Cemetery & Crematorium	£24,860	Housing Management	£5,401,040
Cleaning & Janitorial	£1,415,608	Human Resources	£3,078,051
Clothing	£213,533	Information Communication Technology	£14,038,125
Construction	£36,002,254	Legal Services	£202,894
Construction Materials	£2,823,038	Mail Services	£339,213
Consultancy	£2,776,061	Public Transport	£5,228,672
Domestic Goods	£43,633	Social Community Care	£52,006,703
Education	£4,889,693	Sports & Playground Equipment & Maintenance	£665,673
Environmental Services	£6,795,653	Stationery	£138,478
Facilities & Management Services	£1,462,773	Street & Traffic Management	£946,832
Financial Services	£13,042,289	Utilities	£10,027,260
Furniture & Soft Furnishings	£1,035,489	Vehicle Management	£6,528,527
Health & Safety	£329,955	Not Classified	£14,778,919
Healthcare	£1,076,957		

ProClass is a procurement classification not a finance classification. It is for classifying products and services that are purchased and not for classifying people, projects or budgets.

## Spend by Supplier Size

Organisation Size	Total Spend
Large	£94,266,046
Medium	£52,836,294
Small	£48,539,777
Unknown	£4,992,622

## Local Spend

Spend Total	Percentage
£78,424,097	39%

# MONITORING/REVIEWING AND REPORTING ON THE STRATEGY

The Corporate Procurement Service is committed to transparency and accountability for its activities and performance. The Director – Finance & Procurement is ultimately responsible for the activities and performance of the service, supported by the Chief Officer – Finance & Procurement and Procurement Business Partner.

The Corporate Procurement Strategy will be monitored primarily via the Annual Procurement Report, which is required by the Procurement Reform Act and obliges public authorities to report performance against the strategy as well as providing a summary of regulated procurements carried out and upcoming.

Both the Corporate Procurement Strategy and Annual Procurement Report are reviewed and approved by the Council Management Team, comprising the most senior officers of the Council, and the Council's Executive Committee before being transmitted to the Scottish Government and published on the Council website.

In addition, procurement performance indicators (PIs) are monitored and published within the Council's Annual Performance Report which reports against the Council Plan in line with the corporate Performance Management Framework. These PIs will be reviewed to ensure that they align with the themes, objectives and outcomes contained in this strategy.

Strategy Ownership	Further Information
Approved by	Scottish Borders Council Executive Committee 12/03/2024
Authorised by	Suzy Douglas Director – Finance & Procurement <a href="mailto:sdouglas@scotborders.gov.uk">sdouglas@scotborders.gov.uk</a>
Authored by	Ryan Douglas Procurement Business Partner <a href="mailto:ryanthomas.douglas@scotborders.gov.uk">ryanthomas.douglas@scotborders.gov.uk</a>

# POLICIES, PROCEDURES AND TOOLS

Procurement activity is carried out in accordance with a range of policies and procedures backed up by a number of best practice tools. The following table provides an overview of several key items in use.

Item	Description
<a href="#">Procurement and Contract Standing Orders (PCSOs)</a>	Defines the procedural governance through which all Council procurement activities are undertaken.
<a href="#">Financial Regulations</a> <a href="#">Purchasing Handbook</a>	Defines the procedural governance for financial activities more broadly Internal guidance for Council users in how to apply the PCSOs
<a href="#">Procurement Journey</a>	Best practice guidance for public sector buyers
<a href="#">Public Contracts Scotland (PCS)</a>	National advertising portal for the Scottish public sector to publish contract notices (and conduct e-tenders)
<a href="#">Public Contracts Scotland – Tender (PCS-T)</a>	Alternative national e-tendering system
<a href="#">Sustainable Procurement Tools</a>	Suite of training and best practice tools to support sustainable procurement
Supplier Network	Council's contract management software platform

# GLOSSARY

Collaboration	Working with other partners to undertake joint or shared procurement activities with the intention of obtaining better value through the economies of scale and reduced procurement costs
Commissioning	This is the process used to assess the needs of people in the area, then to design and specify the appropriate services to deliver those needs in a cost effective and value for money way
Community Benefits	These are contract requirements that deliver wider benefits in addition to the core purpose of the contract. These will create added value and will be social, economic or environmental benefits
Contract Management	This is the management of contracts with suppliers or partners. It includes the tasks and activities to ensure the contract is delivered as per the terms. Activity can include the mobilisation of the contract, delivery throughout the term of the contract to expiry and decommissioning. It will also include supplier relationship and performance management
Demand Management	This is a way to reduce costs by managing requirements through many different methods such as forecasting, reducing options, increasing flexibility or considering distribution methods and frequency
Framework Agreement	This is an agreement, often collaborative, with one or more suppliers. They are designed to simplify the procurement process by pre-approving a list of suppliers and their terms and conditions for a specific category of goods or services
Goods	Items that we buy include things such as catering provisions, office stationery and supplies, or the materials needed to build roads
KPI	Key Performance Indicators are measures put in place as part of the contract arrangements. These will be used to help manage delivery of the contract to a pre-agreed set of quality and quantity indicators
P2P	Purchase to Payment - electronic IT systems and processes used to manage the raising of purchase orders through to the payment of supplier invoices
PCIP	The Scottish Government led Procurement and Commercial Improvement Programme and its associated assessment programme
Procurement	This is process of sourcing and acquiring goods, services and works
Purchasing	The transactional stages of placing orders for goods, services or works, using P2P systems to receipt goods, services or works received and then to pay for them
Regulated	Refers to procurements which are subject to one or more of the following pieces of legislation: The Procurement Reform (Scotland) Act 2014; Public Contracts (Scotland) Regulations 2015; Procurement (Scotland) Regulations 2016; The Utilities Contracts (Scotland) Regulations 2016; The Concession Contracts (Scotland) Regulations 2016
Regulated Thresholds	Defined in the Procurement Reform (Scotland) Act 2014 as £50k for goods and services, £2m for works
Services	Services we buy might include care services, professional services to design works projects or repair and maintenance services

SMEs	Small and Medium-Sized Enterprises - firms that employ less than 9 employees are classified as micro businesses, firms that employ less than 50 are classed as small and those employing less than 250 medium
Sustainable Procurement	A process where organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life costs basis and generates benefits, not only for the organisation but for society, the economy and the environment
Third Sector	The group name for a range of organisations such as community groups, charities, voluntary organisations, social enterprises or community interest companies. They can be everything between small and local or large multinational companies or charities
Value for Money	Value for money is the optimum combination of whole life costs, quality and sustainability to meet our requirements
Whole Life Costing	Whole life costing takes into account the total cost of a product or service over its lifetime, from concept to disposal and including purchase, hire or lease, maintenance, operation, utilities, training and end of life disposal. It is important to take all of these costs into consideration when making decisions as in some cases the purchase cost is only a small proportion of the cost of operating it
Works	Construction works that we buy, including the construction and/or refurbishment of new and existing buildings, roads, bridges, parks or other open spaces

# APPENDIX: SUSTAINABLE PROCUREMENT CHARTER

## Sustainable Procurement Charter

Scottish Borders Council aims to be a responsible purchaser of goods, services and works. We set standards to make sure we undertake our activities in an ethical, responsible and sustainable way. This charter lays out a number of important principles and policy requirements of the Council to which we expect our suppliers to comply.



### Achieving our Sustainable Procurement duty

<p><b>Equalities</b></p> <p>We view the Scottish Borders as a place where everyone matters, where everyone should have equal opportunities and where everyone should be treated with dignity and respect. As a responsible employer the Council is committed to promoting equal opportunities to all of the Scottish Borders community, employees and suppliers alike. Consideration of equal opportunities is fully integrated into our procurement practices and is fully committed to the values and ethos of the Equality Act 2010.</p>	<p><b>Disability Confident Scheme</b></p> <p>The Council is an accredited Disability Confident employer. We are committed to the aims of Disability Confident and would encourage our partners, suppliers and providers to demonstrate their commitment to the scheme and also become accredited Disability Confident employers. As appropriate, contracts or framework agreements may include clear performance indicators relating to the positive benefits of such a scheme.</p>	<p><b>Facilitating SME's, third sector and supported businesses in the procurement process</b></p> <p>Our procurement strategy aims to achieve a mixed economy of suppliers to support and develop our local rural market, particularly micro, small and medium sized enterprises, Third Sector organisations and supported businesses. This approach includes simplified and standardised public sector procurement practices, consideration of lotting and a range of hands-on assistance to the local supply chain to help reduce any barriers to involvement in procurement opportunities.</p>	<p><b>Promoting Innovation</b></p> <p>Influencing the market towards innovative solutions can focus public spending on sustainable goods, services and works and create an important catalyst for local job creation, sustainable innovation and market development. Our procurement strategy notes the importance of innovation through procurement and we encourage all our suppliers to consider an innovative approach to the way goods and services are delivered.</p>
<p><b>Fair Work</b></p> <p>The Council is committed to encouraging the adoption of Fair Work Practices. When relevant, suppliers bidding for public contracts should adopt fair working practices, specifically: appropriate channels for effective voice, investment in workforce development, no inappropriate use of zero hours contracts, action to tackle the gender pay gap and create a more diverse and inclusive workplace, providing fair pay for worker, offer flexible and family friendly working practices for all workers, oppose the use of fire and rehire practices. As an accredited real living wage employer the Council is committed to encouraging the wider adoption of the real living wage. This is an hourly rate set by the living wage foundation. The current rate is £12.00. (October 2023).</p>	<p><b>Consultation with Stakeholders</b></p> <p>Service User and, where appropriate, wider community consultation is an integral part of commissioning considerations. The strategic importance and complexity of required outcomes will mainly govern the level of consultation undertaken and the choice of the procurement route followed. The final decision on these matters will always be considered in light of what is likely to provide best value for the local community.</p>	<p><b>Health &amp; Safety Compliance</b></p> <p>The Council is committed to achieving a culture that ensures it complies with all current Health and Safety legislation and in so doing endeavors to provide safe places and safe systems of work. This principal extends to those employed to do contracted works for and on behalf of the Council. The Council will only employ contractors who are SSIP accredited.</p>	
<p><b>Fairly &amp; ethically traded goods</b></p> <p>The Council supports the Fair Trade initiative because it reflects our commitment to sustainable development and offers the prospect that marginalised producers across the world will receive fairer deals for their produce. The Council will promote the use of fair trade products across all its services and raise awareness of fair trade amongst its staff and customers. The Council will (to the extent permitted by EU procurement legislation) embed Fair Trade into contracts with suppliers where it has a direct bearing on the required goods, services and works.</p>	<p><b>Provision of Food</b></p> <p>The procurement of food considers the wider community focus of improving the health and wellbeing of young people and communities in the Borders. Promoting a sustainable food supply chain by (where possible) the use of Scottish produce through collaborative contracts supports the delivery of healthy choices to support healthy eating. Food security and ethics are of equal importance and the Council follows Scottish Government guidance to ensure consideration of the highest levels of animal welfare.</p>	<p><b>Prompt payment</b></p> <p>The effect of late payment on SME's can be significant, impacting cash flow and the ability to trade. As direct support the Council has a prompt payment policy and related performance indicator which aims to make payment of invoices within 30 days of receipt of a valid invoice. To make sure this policy flows through all stages of the supply chain, our terms and conditions of contract obliges our contracted suppliers to make payment of valid invoices within a similar 30 day period.</p>	<p><b>Information/Data Management/Protection</b></p> <p>The Council regards information as a valuable corporate asset which must be obtained, processed and protected diligently, lawfully and ethically. The approach to information governance focuses on safeguarding customers, providing business transparency and ensuring legislative compliance. Relationships with 3rd parties who handle data on behalf of the Council, or with whom we share data are carefully managed. Contracts include information governance compliance conditions with these arrangements being documented and monitored. We will expect all suppliers to take the same robust approach to information management as we do, even after their contract has expired.</p>
<p><b>Environmental Impact and Climate Change</b></p> <p>The Council is committed to reducing its environmental impact, including carbon emissions, wherever possible. The Climate Change (Scotland) Act 2009 places duties on public bodies to deliver their services in a way which supports this, including both internal activities, such as energy saving within buildings, and its work with partners. The way that the Council procures goods and services can have a huge environmental impact, and by purchasing items which can demonstrate a reduced negative effect on wildlife, natural resources and carbon emissions, we can reduce our carbon footprint and support suppliers to do the same.</p>	<p><b>Improving the economic, social and environmental wellbeing of the area</b></p> <p>Adding Value to Communities through Community Benefits or 'social' requirements in public sector procurement is intended to ensure that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This is achieved through the inclusion of specific clauses within contracts known as community benefit clauses.</p>	<p><b>Conflict of Interest</b></p> <p>Council Officers and Members conducting business on behalf of the organisation have a responsibility to do so in a manner that is objective and ethical. As such we require any individual whether employee or supplier to declare such an interest before any procurement activity commences as the best way to handle conflicts of interest is to avoid them entirely.</p>	<p><b>Modern Slavery Act 2015</b></p> <p>The Council adopts a zero tolerance approach to modern slavery and human trafficking. We expect all those who work for and with us to adhere to this approach. As appropriate we will address areas of concern in the tendering process through requiring minimum standards and contract management.</p>



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#### PROCUREMENT SERVICES

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