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**Glasgow Life
Procurement Annual Report
2016 - 2017**

1. Introduction

This Annual Report provides an account of Glasgow Life's procurement activity for 2016/17.

2. Background and key statistics

The Scottish Procurement and Commercial Directorate of the Scottish Government commission an external body, Spikes Cavell, to conduct an annual national spend analysis programme and this is accomplished by organisations submitting specific transactional data for the relevant financial year to the Spikes Cavell Observatory, which manages data verification and final publication on the Scottish Procurement Information Hub (The Hub).

The financial analysis and procurement category of spend has been carried out by The Hub on data extracted from Agresso. Table 1 summarises Glasgow Life's key procurement statistics for the financial year 2016/17.

All figures in the Annual Report are exclusive of VAT at the current rate.

Table 1 Procurement dashboard	Spend FY 16/17
Total value of transactions reported	£48,767,088
Total value of directly attributed Procurement spend	£2,750,169
Number of transactions (Purchase Orders)	14,770
Active Supplier Accounts in this period:	3,700
Total number of invoices	29,828

2.1 Contract activity

2.1.1 Over Official Journal of the European Union Threshold

There were 4 contracts awarded over the Official Journal of the European Union (OJEU) Threshold in 2016/17. These were:

Contract	Total term	Value over term
Provision of Pool Chemicals and CO2 Gas (2 Lots)	4 Years	£275,000
Host Broadcaster Badminton Championships 2017	1 Year	£341,160
Insurance Services (7 Lots)	4 Years	£395,824
Maintenance and Repair of Synthetic Sports Surfaces	4 Years	£950,316

2.1.2 Non-competitive actions

Scottish Government is required to endorse Non-competitive actions (NCAs) greater than £20,833 which do not relate to laboratory equipment, IS hardware/software maintenance contracts.

The procurement activity was undertaken in line with the Procurement Strategy by appropriately utilising collaborative frameworks, ensuring Small to Medium Enterprises (SMEs) and local businesses were given the best opportunity to compete for work by publishing Notices over £20,000 on Public Contracts Scotland (PCS) <https://www.publiccontractsscotland.gov.uk>, and where possible, dividing contracts into Lots, for example, based on appropriate specialisms within the Sports Equipment Industry allowing wider competition whilst promoting the delivery of value for money.

The following table is a breakdown of Contract Notices published in 2016/17 on PCS:

Published on OJEU	4	£1,962,300
Non EU	8	£647,489
Quick Quotes Service	4	£140,380

There were no regulated procurements i.e. >£50,000 carried out by Glasgow Life's Procurement team which did not comply with the Procurement Regulations and Strategy.

2.1.3 Savings and collaborative expenditure

Procurement continually drives to seek Best Value for the organisation. All tender preparations consider environmental impact, equality and diversity, community benefits and whole life costing. A significant part of the procurement strategy for each tender is to apply Demand Management principals, to reduce consumption, to consolidate spend and to improve specifications either from existing frameworks or our own tenders.

3. Specific duties under Procurement Reform (Scotland) Act 2014

Under the Procurement Reform (Scotland) Act 2014, specific duties have been placed on Procurement in terms of the Sustainable Procurement Duty (paragraph 9), Supported Businesses (paragraph 11), and Community Benefits (paragraph 25).

3.1 Sustainable Procurement

All bids received for regulated procurements were evaluated using a weighting on Sustainability when appropriate. Procurement continues to work with internal stakeholders to explore ways of embedding sustainability within the organisation.

During this financial year, a number of our services in close building proximity were consolidated from a number of venues or alternately venue space was sub-let to other organisations to achieve a reduction in utility and other costs. Under the property revenue maintenance contract, several offices and public areas have had lighting replaced with LEDs improving energy efficiency.

There is further opportunity through the use of various Scottish Government tools e.g. Scotland Flexible Framework to assess what level Glasgow Life falls into.

3.2 Supported businesses

Glasgow Life's use of supported businesses has been and continues to be limited due a number of factors:

1. The nature of a majority of our regulated and non-regulated procurements does not have supported business suppliers.
2. The suppliers of PPE for example do not produce enough of the range that Glasgow Life requires to make it 'value for money'. However, Glasgow Life has successfully used the furniture service provided by RSBI (now aligned to Glasgow City Building) for several years with a value of between £200 - £1000 annually.

3.3 Community benefits

Procurement are required to '*consider whether to impose community benefits requirements as part of the procurement*' which has an estimated value of the contract equal to or greater than £4,000,000 over the term of the contract relating to '*training and recruitment*' or '*the*

availability of sub-contracting opportunities’ or ‘otherwise intended to improve the economic, social or environmental wellbeing of the authority’s area in a way additional to the main purpose of the contract in which the requirement is included’.

In 2016/17 no regulated procurements of that value were initiated or awarded, however, the use of collaborative Glasgow Council, Scotland Excel and Scottish Government frameworks may have included a wider opportunity “*to consider*” Community Benefits within them.

3.4 Small Medium Enterprises (SME)

As part of the public sector, Glasgow Life acknowledges it has a role in contributing to Scotland’s economic success. In an effort to encourage SME suppliers, we advertise through Public Contracts Scotland.

In addition, to make it easier for SME’s to work with us, we have developed a range of standard contracts that are proportionate to the supplies and/or services being sought. Where possible we would also adopt the use of standard industry contracts where these provide a better solution.

4. Contract register

The Procurement Reform (Scotland) Act 2014 requires a register of current contracts to be published on the Internet. These can be found on the Glasgow Life procurement pages of PCS.

4.1 Regulated contracts forward plan

Summary of contracts to commence in the next 2 years, with a value greater than £50,000

Contract	Value	Planned contract start date
Climbing walls	£150,000	December 17
Soft play equipment	£300,000	January 18
WPBC Seating	£125,000	February 18
MRM Software Solution	£200,000	December 19
Host Broadcast IA 2019	£375,000	September 2017
Travel & Accommodation IA 2019	£160,000	February 2018
Host Broadcast IS 2019	£265,000	March 2018
Travel & Accommodation IS 2019	£150,000	April 2018

5. Procurement Strategy 2016/19

The Procurement Strategy November 2016 – 19 is published on the Internet. It states: ‘*Glasgow Life’s procurement activities will be undertaken following the existing organisational model:*

- balancing competing requirements;
- setting out clear strategic objectives;
- making sure we continue to improve our procurement methods;
- maximising efficiency and collaboration;
- delivering and demonstrating real cash savings;
- improving access to public sector contracts, particularly for Small and Medium sized Enterprises (SMEs);

- embedding sustainable procurement throughout our processes; and continually striving to deliver the best possible procurement service to Glasgow Life and its council family.

These objectives will be achieved by focusing on some key aims:

1. Increase the use of **collaborative national contracts**.
2. Improve **procurement capability** across Glasgow Life by delivering training to staff involved in purchasing and monitoring contracts.
3. Improve **sustainability** undertaken when awarding contracts and managing contracts. As planned through our Facilities team in 2017 for the introduction of over £100,000 of new technology lighting to improve energy efficiency.

6. Maintain processes and procedures to ensure Glasgow Life is compliant with European Union (EU) Procurement Directives and Scottish Government procurement policy.

In 2016/17, the Procurement Department continued to keep itself informed of current and pending applicable changes to EU, UK and Scottish procurement law by reviewing all Scottish Procurement Policy Notes issued by Scottish Government Procurement and issued to Glasgow Life by the Procurement Development Team at GCC.

Glasgow Life Procurement is audited annually by Glasgow Council's internal audit team.

7. Organisational spend activity FY 2016-17

Key Points

Of the £48 million spend identified in the Procurement strategy around £20 million is placed directly with the council family for a variety of goods and services.

A further £1million in placed into council led collaborative contracts.

Glasgow Life Procurement is directly responsible for £2,750,169 of tendered spend.

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