

Corporate Procurement Strategy 2016 to 2018

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1. Introduction/Executive Summary

This procurement strategy has been prepared to support the council's response to the changing procurement agenda.

Procurement is one of the enabling strands of the council's ambitious Business Transformation Programme. We will generate efficiency savings through rigorous challenge of all our purchasing decisions and the implementation of effective and efficient procurement procedures and processes and in doing so will continue to provide best value.

The strategy sets out the procurement objectives and actions for this council for 2016 to 2018. These reflect both national and local policies and priorities, and include our approach to fair trade, sustainability, corporate social responsibility and Co-operative Glasgow (to create opportunities for more Social Enterprises and Co-operatives).

In order for this strategy to achieve improved performance status, financial savings and contribute to the council's corporate social responsibilities, we will all need to embrace a change to our existing ways of working, and crucially develop a more strategic partnership between the Corporate Procurement Team, Service Departments and council family.

Our aim is to build on the procurement model already in place, with a view to.

- > **setting out** clear strategic objectives
- > **delivering** and demonstrating real cash savings

- > **making sure** we continue to improve our procurement methods
- > **making sure** compliance with our statutory procurement duties
- > **maximising** efficiency and collaboration
- > **continuing** to improve access to public sector contracts, particularly for Small and Medium sized Enterprises (SMEs), Supported Businesses, Social Enterprises, Co-operatives and Third Sector
- > **increased** focus on sustainable procurement including the more innovative use of Community Benefits Clauses (CBCs) and targeting supplier's corporate social responsibility policies
- > **continually** striving to deliver the best possible procurement service to the council and council family
- > **balancing** competing requirements.

Councillor Archie Graham
Depute Leader of Glasgow City Council



2. Procurement Vision and Mission Statement



2. Procurement Vision and Mission Statement

Glasgow aims to be a city that is world class, focussed on economic growth, closing the inequality gap and tackling poverty.

The following procurement vision and mission statement has been established to support the council's vision and to make sure the delivery of effective and efficient procurement.

Procurement Vision

“To be recognised as a value added procurement function, fully aligned to the council's services and delivering best value for all stakeholders”

Mission Statement

“To provide outstanding procurement within the council family that supports the delivery of quality public services in the most efficient, cost effective and compliant manner”

3. Strategy Rationale/Context



3. Strategy Rationale/Context

Glasgow is Scotland's largest city. Outside London, it is one of the largest concentrations of economic activity in the United Kingdom (UK). It generates 17% of the country's jobs, is home to more than one in 10 businesses and generates 17% of the value of goods and services produced in Scotland.

Glasgow is the cultural, sporting, economic, engineering and academic heart of our country. The city has been transformed in recent years. It is now one of Europe's top financial centres and has a remarkable business-tourism sector while the physical enhancement of our city has been dramatic.

However the council faces significant economic and financial challenges, with a savings target of £130 million to be achieved over the next two years. The council therefore needs to be innovative and creative about how it meets its priorities and the city's ongoing challenges, and has developed a strategy for the city.

Currently the council spends over £580 million on works, services and supplies. The sum increases to around £700 million if we take into account the entire council family.

In local government, procurement is governed by a legislative framework which includes:

- European treaties and directives
- Regulations
- Case law

The legislation is encapsulated within the council's Standing Orders Relating to Contracts and the Corporate Procurement Manual.

The previous corporate procurement strategy was closely aligned with the overall council strategy and delivered a number of benefits and improvements over the two year period that it covered (2013 to 2015).

These benefits included:

- Procurement delivered in a compliant manner
- Procurement savings target linked to financial revenue budgets
- Strategic training plan for procurement staff
- Scottish Government (SG) sustainable tools embedded within the procurement process
- Development of a robust contract management process
- Formalised strategic internal and external stakeholder engagement
- Influencing of national strategic procurement decisions.

It was noted by the Public Petitions and General Purposes Committee at their meeting on Friday 5 February 2016 that the scope of the new strategy will be aligned to financial years 2016 to 2017 and 2017 to 2018. This duration will allow focus on implementation of the new procurement regulations, the Procurement Reform (Scotland) Act 2014, and the integration of Social Work Services (SWS) and the National Health Service (NHS).

The new procurement legislation represents the most significant change to the procurement landscape since the McLelland Report in 2006. Similarly, the integration of the council's and NHS Greater Glasgow and Clyde's services (now known as Glasgow Health and Social Care Partnership HSCP), reflects a significant change in the strategic provision of social care.

This strategy will also allow the next procurement strategy to align with, and incorporate, the council's next 5 year strategic plan which will be implemented in 2017.

4. Strategic Aims, Objectives and Key Priorities

COUNCIL OBJECTIVES

The council set challenging and ambitious goals within its **Strategic Plan 2012 to 2017** which focused on economic growth and resilience for the city and its communities. The council's **Strategic Plan** also reflects the council's commitment to the **National Outcomes and indicators via the Local Area Improvement Plan** (previously known as the **Single Outcome Agreement**).

There are six priority areas which are driving real progress and achievement in Glasgow:

1. Economic growth
2. A vibrant city
3. A sustainable city
4. A city that looks after its vulnerable people
5. A learning city
6. Making best use of our resources

Each of the six priority areas is directly supported by the council service departments. Procurement supports these departments by making sure their requirements for goods, services and works are procured in the most effective and efficient way to maximise and deliver best value.

A list of key areas of strategic procurement focus, as well as examples of recurring tender activity, can be seen in **Appendix 1**.

Beyond the procurement work plan, there are a number of initiatives within procurement that contribute additional value to the council's strategic objectives:

ECONOMIC GROWTH AND A SUSTAINABLE CITY

- Drive our sustainability principles (which are social, economic and environmental) into our procurement in a relevant and proportionate manner with a particular focus on community benefits (CB), promoting the living wage and fair work practices, and supporting Small and Medium Enterprises (SMEs), social enterprises and supported businesses.
- Place sustainable and socially responsible purchasing at the heart of our process and reflect the Scottish Model of Procurement (Price versus Quality versus Sustainability), where sustainability is at the heart of everything we do.

4. Strategic Aims, Objectives and Key Priorities

A VIBRANT CITY

- Work with Community Planning and other key stakeholders to identify and target community initiatives that can be supported by procurement activities.
- Increase participation and competition in the supply base leading to more innovative solutions and better outcomes for the people of Glasgow.

A CITY THAT LOOKS AFTER ITS VULNERABLE PEOPLE

- Developing and improving the quality and consistency of the health and social care services provided to adults and children by organising and integrating the NHS Greater Glasgow and Clyde's services.
- Having launched our integrated approach to health and social care services with NHS Greater Glasgow and Clyde in 2015 and having set out the joint service priorities and areas for improvement in the Strategic Plan by January 2016 the delivery of these priorities and areas for improvement over the financial year 2016 to 2018 will be supported by the council's Corporate Procurement Strategy.
- Focusing on being responsive to Glasgow's population and where health is poorest.
- Supporting vulnerable people and promoting social wellbeing.
- Working with others to improve health by recognising the role commissioning and procurement plays in identifying, agreeing and implementing service change(s).

A LEARNING CITY

- Engage with Education Services to promote procurement as a career path.
- Offer an opportunity for a procurement modern apprentice.
- Utilise Community Benefit clauses within procurement activity (where relevant and proportionate) to afford work experience, mentoring and other learning opportunities.
- Support the Supplier Development Programme (SDP) to assist Glasgow based SMEs, Social Enterprises and Cooperatives in bidding for tender opportunities.

MAKING BEST USE OF OUR RESOURCES

- Continue to develop procurement workload analysis and resource methodologies that support workforce planning and achieve more effective and efficient use of our resources.

4. Strategic Aims, Objectives and Key Priorities

PROCUREMENT OBJECTIVES

For this strategy, the council has four key strategic procurement objectives:

1. Legal compliance and governance
2. Savings and added value
3. Leaner, more efficient and effective procurement function
4. Deliver sustainable procurement across the council



1. LEGAL COMPLIANCE AND GOVERNANCE

Aims

- > To adopt and implement the Procurement Reform (Scotland) Act 2014 and new Procurement Regulations
- > To utilise aspects of the new legislation that will provide procurement with greater flexibility and scope to derive best value from procurement activity.

How we will do it

- > Update council Standing Orders Relating to Contracts and the Corporate Procurement Manual to support compliance with the new procurement rules and cascade changes to informed clients and key stakeholders.
- > Adapt our internal procedures, processes and documentation to reflect the required legislative changes.
- > Consider what skills and development requirements will be necessary within our organisation to support compliance with the new procurement rules. Update the relevant stakeholders and support training requirements.
- > Collaborate with Legal services to make sure a cohesive approach to the implementation of the new legislation and the sharing of best practice.

What will the outcome be?

- > Mitigation of the opportunities for procurement challenge
- > Procurement activity will comply with statutory and regulatory requirements
- > Procurement documentation updated to reflect new legislation.

4. Strategic Aims, Objectives and Key Priorities

2. SAVINGS AND ADDED VALUE

Aims

- > To support the council in achieving procurement cost saving targets
- > Deliver added value procurement
- > Promote the benefits of early engagement with procurement to services

How we will do it

- > Utilise management information to target spend that may be positively influenced by procurement.
- > Identify, target and negotiate with key contracted suppliers to deliver savings and added value.
- > Promote and further embed contract and supplier management activities within the council family by working together with our stakeholders and suppliers to deliver greater outcomes.
- > Investigate and apply more effective commercial evaluation models (for example, whole life/life cycle costing) and encourage innovation (outcome specifications/variant bids) to make sure and deliver best value.
- > Reinforce, with the support of senior management the need and requirement (based upon the Act/Regulations) to enhance early engagement with services and suppliers to enable and afford innovative strategic sourcing options, for example, market intelligence, benchmarking, alternative solution, etc.
- > Review key national and sectoral collaborative frameworks to determine best value.
- > Collaborate with colleagues in the council family to identify Purchase to Pay (P2P) improvements, efficiencies and potential cost saving exercises (for example, early payment, reduction in paper invoices, etc.)

- > Utilise the Transformation Procurement Board to highlight and promote revenue savings achieved by procurement activity.

What will the outcome be?

- > Achieve targeted procurement cost savings as detailed in **page 17**
- > Added value (for example, cost avoidance, contract management outputs)
- > Improved Purchase to Pay (P2P) processes
- > Evidence the benefits of early engagement.

3. LEANER, MORE EFFICIENT AND EFFECTIVE PROCUREMENT FUNCTION

Aims

- > An appropriately skilled and resourced procurement function
- > Remove aspects of the procurement process that do not add value
- > To support the council's Transformation programme – Leaner Enabling Operations (LEO).

How we will do it

- > Identify and target duplication of tools and documentation both internally and externally.
- > Continue to utilise collaborative frameworks where appropriate and further engage and develop our relationships with other Local Authorities (LAs) and the wider public sector (for example, NHS).
- > Review our current commodity categorisation with a view to broadening our focus and strategically aligning with service requirements.

4. Strategic Aims, Objectives and Key Priorities

- Utilise the corporate procurement strategic training methodology to identify and prioritise training requirements resulting from the council's transformation programmes.
- Utilise enhanced data gathering processes and analysis to assist with workforce planning, resource allocation and workload prioritisation.
- Investigate potential process improvements related to Information and Communication Technology (ICT).
- Identify and embed aspects of the new procurement legislation that allow for quicker and more efficient procurement (for example, reduced timescales).

What will the outcome be?

- New procurement structure
- Leaner processes and improved procurement documentation
- Revised commodity categorisation
- Identified ICT improvements

4. DELIVER SUSTAINABLE PROCUREMENT ACROSS THE COUNCIL

Aims

- To be compliant with the Procurement Reform (Scotland) Act 2014 and general and other duties contained therein, including the Sustainable Procurement Duty.
- To facilitate, support and promote the benefits of sustainable procurement including supporting the transition to a circular economy apply whole life costing, early supplier involvement and encourage innovative products and solutions
- Embed sustainability in procurements in a relevant and proportionate manner, as required by the Procurement Reform (Scotland) Act 2014, including consideration of intended

outcomes relating to Climate Change, Materials, Waste, Hazardous Materials, Biodiversity, Heritage, Water, Community Benefits, Health and Wellbeing, Security and Crime, Fairly and Ethically traded Supplies and Services, Promotion of Equality and Fair Work Practices.

- To provide best value and secure wider social, economic and environmental benefits for the local area
- To promote and support the council's strategic objectives, key priorities and policies.

How we will do it

- Continue to utilise the Scottish Government's (SG) Sustainable Procurement Tools (Sustainable Test) within all regulated procurement activity, including the Prioritisation Tool to prioritise and focus on those commodities/categories of spend within the procurement work plan FY 2016 to 2018 that offer the greatest potential sustainable outcomes.

Appendix 4 highlights the initial results of prioritisation of procurement categories across the council. The output is used to inform priorities for:

- (a) a focus on sustainability within commodity strategies;
- (b) market engagement strategies, and
- (c) making sure that those responsible have relevant understanding and capability to apply sustainable procurement in these priority commodities.

Results will be updated annually at least to reflect changes in expenditure, commodities and other relevant material changes.

- These results will be supported by the prioritisation of projects within the council's Forward Plan to identify key priorities for forthcoming procurements.
- Utilise the SG Flexible Framework Self-Assessment Tool (FFSAT) to ascertain the level of performance of sustainable procurement across the council. This tool will provide a clear action plan that

4. Strategic Aims, Objectives and Key Priorities

will set out how, and by when, improvements in sustainable procurement will be made. Improved sustainability in procurement activity will also make a significant contribution to the council's Climate Change Declaration.

- Continue to support and improve access to procurement opportunities for SMEs, Supported Businesses, Social Enterprises, Co-operatives and Third Sector.
- Encourage innovation by utilisation of outcome specifications variant bids where relevant and proportionate.
- Refine and continue to develop the procurement Community Benefit Evaluation and Monitoring Model to capture and maximise community benefit opportunities that will support the key objectives of the revised Community Benefits Policy in order to deliver added value for the council and the local area.
- Create and manage a sustainable register to capture, monitor and report on the sustainable outcomes achieved via procurement activity, and link to related internal and external reporting requirements.
- Continue to support council key policies linked to sustainable procurement (for example, fair work practices in procurement, the Equalities Act 2010, climate change declaration, fair trade city, etc.) by establishing a mechanism for all relevant stakeholder to discuss and agree the implications to the procurement process including how to embed accordingly.

What will the outcome be?

- Demonstrable sustainable benefits
- Compliance with the Sustainable Procurement Duty
- Improved accessibility to contracts for SMEs, Supported Businesses, Social Enterprises, Co-operatives and Third Sector
- Improved level of performance in sustainable procurement



Meet The Buyer



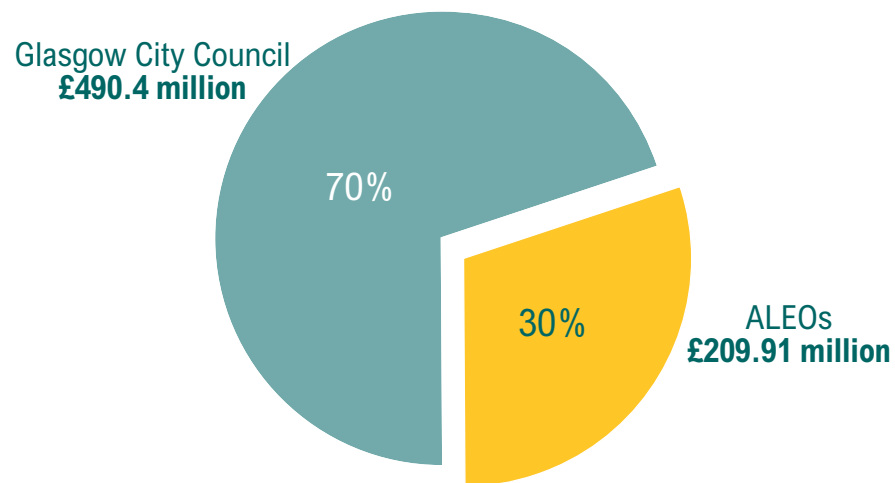
Supplier Development Programme
<https://www.sdpScotland.co.uk>

5. Spend/Finance

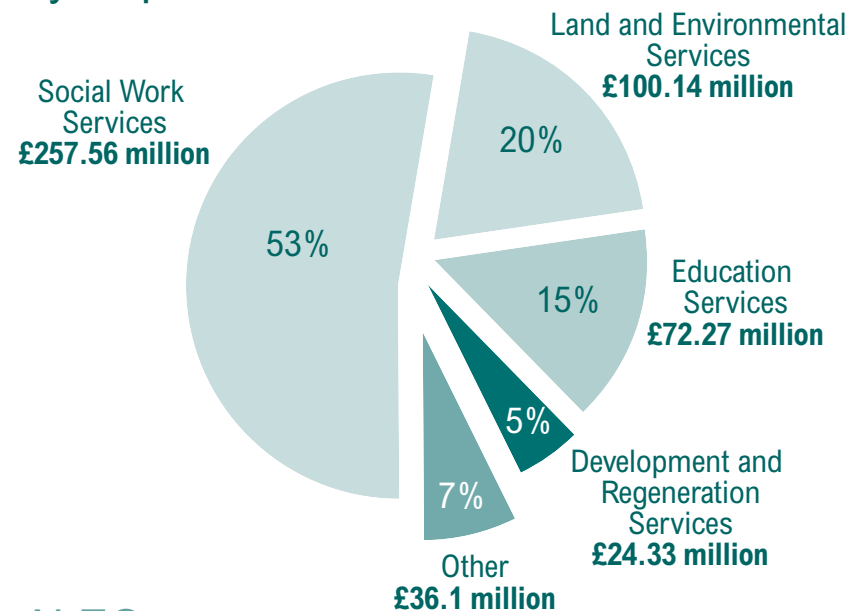
The council purchases a variety of goods, services and works from stationery to multi-million pound capital works contracts.

Council expenditure per annum is around £490 million, increasing to around £700 million over the entire council family.

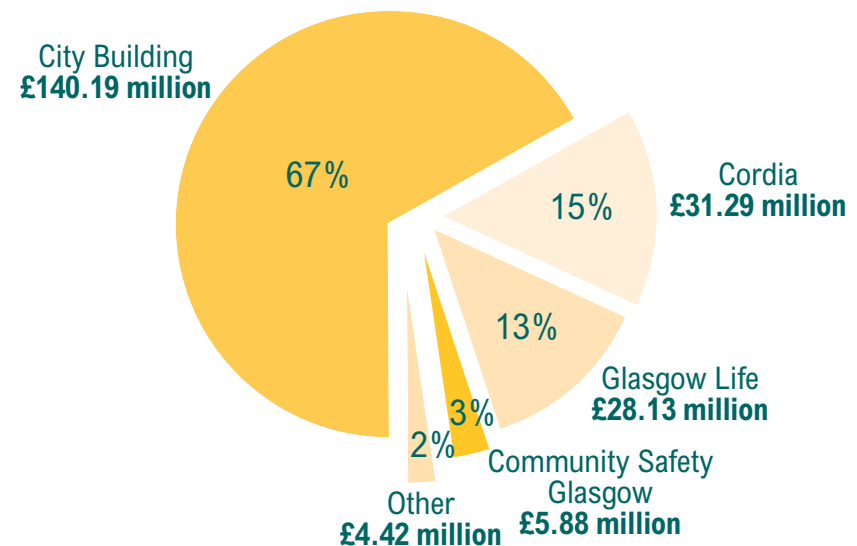
Council Family Spend by Organisation



Glasgow City Council by Department



ALEOs by Group

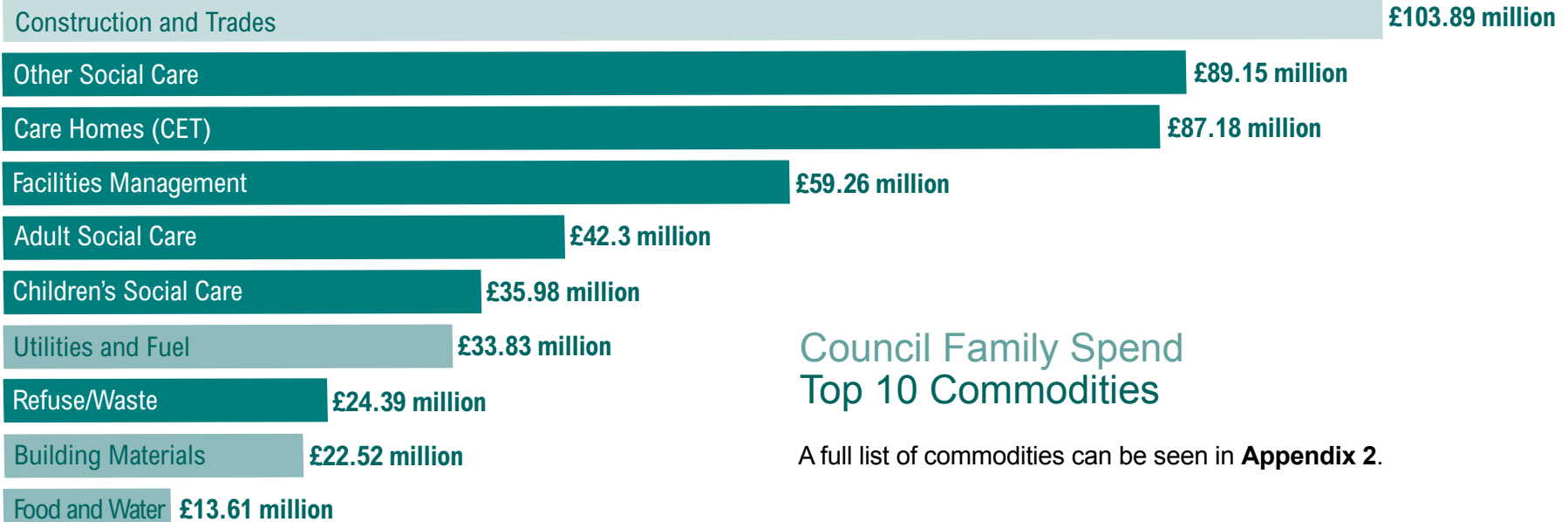
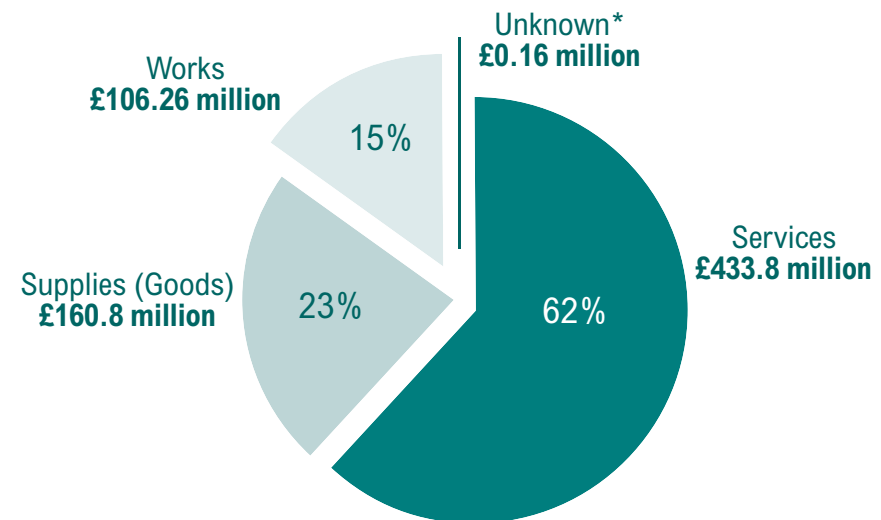


5. Spend/Finance

The council utilises a strategic, category-based approach to procurement with requirements aggregated and responsibility assigned based on an established list of commodities.

Council Family Spend by Type

*Unknown relates to suppliers that have received less than £1,000 per annum as these have not been mapped to a commodity or spend type.



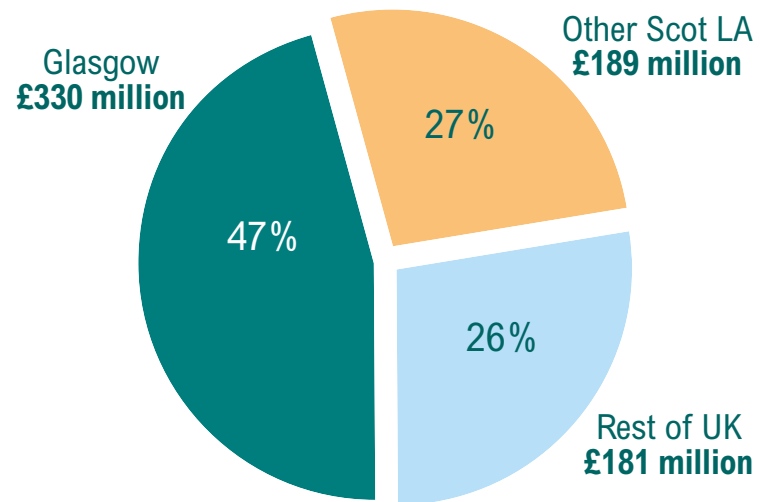
Council Family Spend Top 10 Commodities

A full list of commodities can be seen in **Appendix 2**.

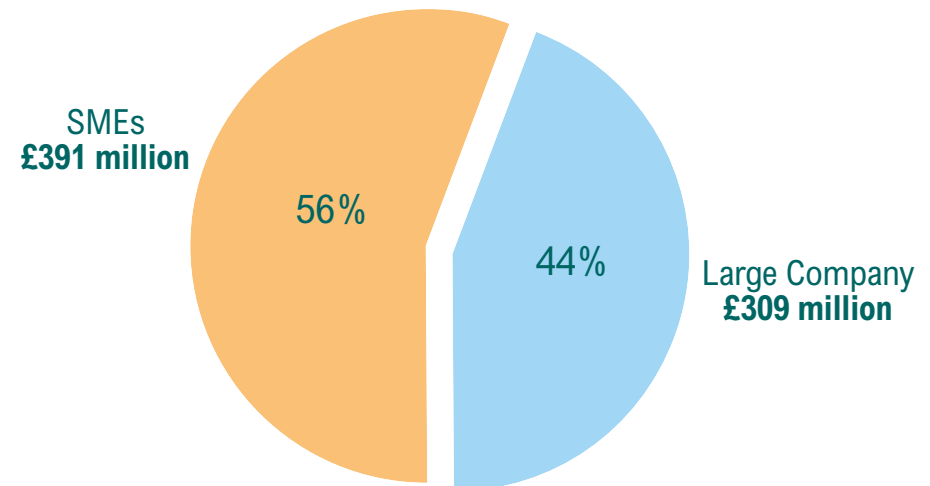
5. Spend/Finance

The council is committed to using its purchasing power to contribute to the growth of both local and national companies, with a particular focus on small and medium enterprises (SMEs).

Council Family
Spend by Supplier (Region)



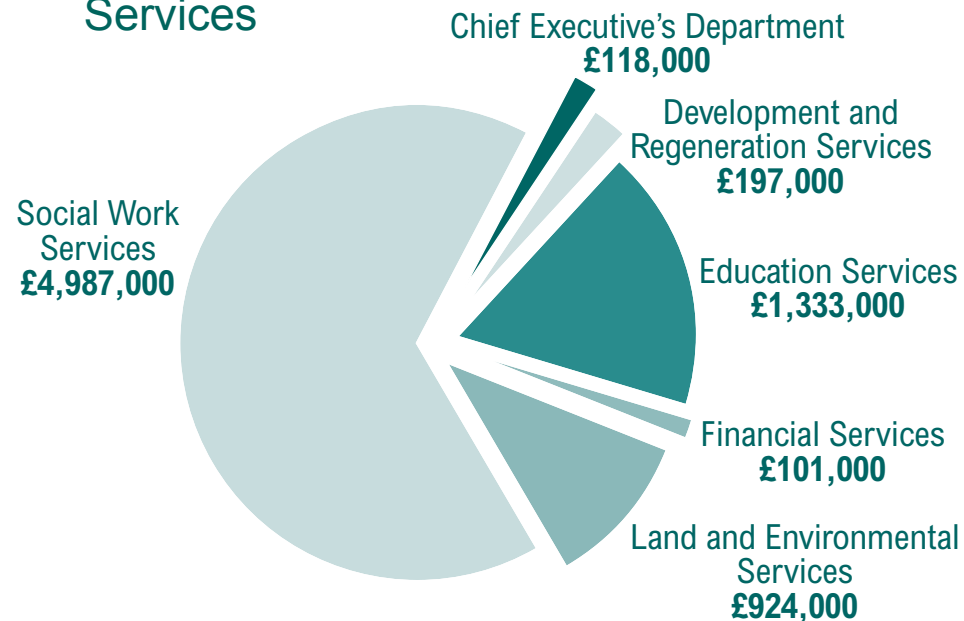
Council Family
Spend by Supplier (Size)



5. Spend/Finance

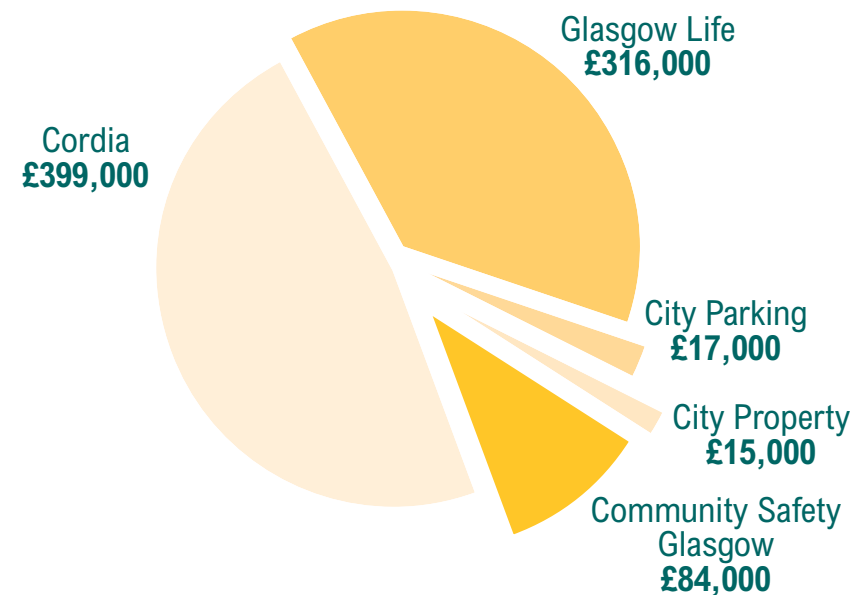
The overall procurement savings target for Financial Year 2016 to 2017 is £10 million. The figures listed below show the procurement savings target across the council for Financial Year 2016 to 2017.

Savings Target Services



The same figure has been targeted for each service and ALEO for Financial Year 2017 to 2018.

Savings Target ALEOs



6. Monitoring, Reviewing and Reporting on the Strategy

The strategy objectives and the targeted outcomes will be monitored via an action plan, detailed in **Appendix 6**.

The performance against this action plan will be reported to and monitored by the existing procurement governance structure: practical at an individual departmental level.

- Corporate Procurement Asset Board - chaired by the Head of the Corporate Procurement Unit
- Corporate Procurement Advisory Board - chaired by the Head of Legal and Administration Services
- Strategic Asset Management Programme Board - chaired by the Director of Governance and Solicitor to the Council.

The above Boards will facilitate the escalation of any issues that may prevent the delivery of the desired outcomes.

The delivery of the action plan will also be subject to review by Internal Audit.

As well as the above, we will continue to use our existing Key Performance Indicators to manage, track and measure continuous improvement. These indicators will be reported to the Corporate Procurement Advisory and Asset Boards.

We will also engage with stakeholders to define further meaningful targets.

The delivery of the action plan will demonstrate the effective implementation of the Corporate Procurement Strategy.

This strategy will be reviewed on a quarterly basis to make sure continued alignment with council objectives and priorities. Any significant changes will be reported to the council's Executive Committee.

7. Strategy Ownership and Contact Details

Carole Forrest

Director of Governance and
Solicitor to the Council

City Chambers,
Glasgow, G2 1DU
Phone: 0141 287 0467



8. Policies, Tools and Procedures

PROCESSES AND PROCEDURES

The council's Standing Orders Relating to Contracts and Corporate Procurement Manual apply to all contracts made by or on behalf of the Council for the execution of works, the supply of goods and materials and the provision of services.

The Standing Orders Relating to Contracts are subject to the over-riding provisions of European Union (EU), United Kingdom and Scottish legislation. They are also subject to any EU Commission, UK Government and Scottish Government guidance on public procurement that may be issued from time to time.

The Standing Orders shall not apply to any contracts made on behalf of the Council by Scottish Procurement, Scotland Excel or any other central purchasing body with whom the Council has made arrangements for the award of works, supplies or services contracts on its behalf, save in respect of the reporting requirements prescribed in Standing Order Section 8.4.4.



[Council Standing Orders](#)

8. Policies, Tools and Procedures

POLICIES

The council operates its service delivery programme against a defined set of policies and strategies. As well as conforming to legislative aspects, the council maintains awareness of and an input into the broader aspects of policy making in public services and community development - often working in partnership with Government, other public bodies and the private sector.

The majority of procurement activities will continue to support and promote relevant council policies of which the majority are embedded within existing procurement processes and procedures. Current policies and procedures are set out below:



[Council signed up to the Supplier Charter](#)



[Community Benefits](#)



[Glasgow Living Wage](#)



[Sustainable Policy 2010](#)



[Health and Safety Policy](#)



[Cooperative Glasgow](#)



[Equalities](#)



[Corporate Social Responsibility](#)



[Carbon Management](#)

TOOLS

The council has embedded various tools within the strategic procurement process to assist and ensure best value. Utilisation of the tools also supports compliance with the Sustainable Procurement Duty. The key tools utilised by procurement are as follows:

- Procurement Toolkit (the council's version of the SG Procurement Journey)
- Procurement Journey
- Scottish Government Sustainable Tools:
 - > Prioritisation Tool
 - > Sustainable Test
 - > Flexible Framework
- Contract Management Tools
 - > Contract Management Assessment Tool
 - > Survey Monkey

HOW TO DO BUSINESS WITH GLASGOW

We are pleased to hear from new and existing suppliers who are interested in tendering for business. Any company interested in conducting business with the council must be registered with Public Contracts Scotland (PCS), and be in a position to submit their responses using electronic tendering portals as detailed below:



[Public Contracts Scotland Tender \(PCS-T\)](#)



[Public Contracts Scotland \(PCS\)](#)

Appendix 1. Key Procurement Activity



Appendix 1. Key Procurement Activity

BUSINESS AS USUAL

- > The Provision of Taxis and Private Hire Vehicle Services Framework
- > Statutory repairs to privately owned tenements and general housing properties
- > The Provision of Fleet Maintenance
- > Horticulture and Plants Framework
- > Business Growth Consultancy Service

STRATEGIC PROCUREMENT

- > Refurbish and redisplay the Burrell Collection through the Burrell Renaissance project, reopening the Burrell Museum early in 2020 and plan for the Burrell International Tour beginning in 2016
- > The Provision of Employability Pipeline and Youth Employment Initiative Framework
- > The Glasgow and Clyde Valley City Deal Programme
- > Procurement activity relating to the integration of Social Work and NHS - for example, provision of intermediate care services and commissioning solutions for complex long-stay hospital patients
- > Delivery of the National Living Wage by Social Care providers as part of the Scottish Government Financial Settlement
- > The regeneration and development of Sighthill
- > The Food Waste Recycling Scheme in the City beginning in January 2016 and rolling out to cover all households by March 2017
- > European Sports Championships

The council's full procurement register can be located on Public Contracts Scotland site:



[Public Contracts Scotland](https://www.pcs.scot.nhs.uk/)

The council's Procurement Annual Report will provide visibility of all known regulated procurement for years 2017 to 2018 and 2018 to 2019.

Appendix 2. Full Commodity List

COMMODITY	OWNER	GOODS/SERVICES/ WORKS
Accommodation (for clients)	Social Work	Services
Adaptations	City Building	Services
Advertising	CPU	Services
Aids	Cordia	Goods
Books, publications and newspapers	CPU	Goods
Building materials and products	City Building	Goods
Care homes (CET)	Social Work	Services
Catering equipment	Cordia	Goods
Catering services	Cordia	Services
Cleaning and janitorial kit and supplies	Cordia	Goods
Clothing	CPU	Goods
Clothing rental and laundry	CPU	Services
Coach hire	CPU	Services
Construction and trades contractors	CPU	Works
Constructions consultancy	CPU	Services
Demolition/dismantling services	CPU	Works
Distribution and mailing services	CPU	Services
Domestic appliances	CPU	Goods
Electrical supplies	City Building	Goods
Electronic components	City Building	Goods
Events	CPU	Goods
Exterior cleaning	City Building	Services

Appendix 2. Full Commodity List

COMMODITY	OWNER	GOODS/SERVICES/WORKS
Facilities management services	Access	Services
Farming, fishing, forestry	CPU	Goods
Financial services	CPU	Services
Fire protection	CPU	Goods
Food and water	Cordia	Goods
Franking machines	CPU	Services
Furniture and fittings	City Building	Goods
Grit and aggregates	CPU	Goods
Grounds preparation and maintenance	CPU	Services
Industrial cleaning	City Building	Services
Industrial supplies	City Building	Goods
It equipment and accessories	Access	Goods
It services	Access	Services
It software and licenses	Access	Services
Learning and development	CPU	Services
Legal consultancy services	CPU	Services
Linens and fabrics	CPU	Goods
Livestock, animals and plants	CPU	Goods
Management consultancy	CPU	Services
Marketing and promotion	CPU	Services
Medical	Cordia	Goods
Minerals, earth and stone	CPU	Goods

Appendix 2. Full Commodity List

COMMODITY	OWNER	GOODS/SERVICES/WORKS
Mobile phones - accessories, line rental and network connections	Access	Services
Other professional services	CPU	Services
Other social care	Social Work	Services
Parking	CPU	Goods
Pest control	CPU	Services
Photocopiers and facsimile	Access	Goods
Photographic and audio visual equipment	CPU	Goods
Plant equipment	CPU	Goods
Plant equipment imprest stock	CPU	Goods
Plant equipment, spares and tools	CPU	Goods
Plant hire	CPU	Goods
Playground equipment and surfaces	CPU	Goods
Post and courier	CPU	Services
Print and reprographics	CPU	Services
Professional services	CPU	Services
Recruitment and Human Resources	CPU	Services
Refuse/waste	CPU	Services
Removals	City Building	Services
Residential school	Social Work	Services
Road materials	CPU	Goods
Scientific and technical equipment and supplies	CPU	Goods
Security and safety equipment	CPU	Goods

Appendix 2. Full Commodity List

COMMODITY	OWNER	GOODS/SERVICES/ WORKS
Security and safety services	CPU	Services
Signs	CPU	Goods
Special waste	CPU	Services
Sports and recreation equipment, accessories and supplies	CPU	Goods
Stationery and computer consumables	CPU	Goods
Street road lighting	CPU	Goods
Structures	CPU	Goods
Supplementation establishments	Social Work	Services
Taxis	CPU	Services
Teaching supplies (core)	CPU	Goods
Telecoms	Access	Services
Testing instruments	CPU	Services
Timber	CPU	Goods
Tools and equipment	CPU	Goods
Traffic control	CPU	Services
Training	CPU	Services
Travel	CPU	Services
Utilities and fuel	CPU	Goods
Vehicle hire	CPU	Goods
Vehicle purchase	CPU	Goods
Vehicle services/parts	CPU	Goods

Appendix 3. Community Benefits Policy (Revised)

Glasgow City Council is committed to maximising Community Benefits from procurement activity. This will be achieved through the inclusion of specific clauses within procurement contracts known as Community Benefit clauses.

Community Benefit clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of council contracts.

BACKGROUND

Community Benefit clauses have been a key area of procurement policy and practice in Scotland since 2008.

Glasgow City Council was an early adopter of the use of Community Benefits, with the policy approved by Executive Committee in 2008. The policy has enabled the council to introduce appropriate measures into procurement contracts to ensure that Glasgow secures the maximum economic and social benefits for residents and businesses within the city.

The policy originally focused on three distinct elements:

- Targeted Recruitment and Training (TR&T), specifically for the long term unemployed and those directly leaving education or training – classed as New Entrant Trainees (NETs)
- The advertising of business opportunities
- The development of Small Medium Enterprises (SMEs) and Social Enterprises

OUTCOME GENERATED

- Community Benefit clauses were utilised extensively throughout preparations for the Glasgow 2014 Commonwealth Games and generated significant outcomes, including:
- 500 new entrants, covering a range of occupations at various skill levels, including 168 apprentices
- £669 million worth of Commonwealth Games-related opportunities awarded via the Glasgow Business Portal
- 756 Commonwealth Games-related contracts awarded, with 182 of these being awarded to Glasgow based companies
- 738 SMEs and Social Enterprises supported through various events and capacity building seminars.

In building upon the success of the Commonwealth Games the council has incorporated Community Benefits requirements into Capital and Services procurement activity.

In addition, the council has also worked with a range of public and private sector partners to support the delivery of Community Benefits outcomes.

Appendix 3. Community Benefits Policy (Revised)

Community Benefits Policy Statement

Community Benefits Clauses have, to date, been predominantly utilised in works contracts, however the revised Community Benefits Policy will make sure that Community Benefits are considered and included in all relevant contracts – including works, goods and services contracts.

The Community Benefits Policy will seek to:

- > Support delivery of key council priorities
- > Consider the inclusion of Community Benefits in all relevant procurement activities and maximise outcomes through the use of Voluntary Community Benefits
- > Increase the Community Benefits outcomes generated through the inclusion of Community Benefits Clauses within services and goods contracts
- > Expand the types of Community Benefits outcomes generated
- > Maximise the promotion of Community Benefits outcomes
- > Monitor the impact of Community Benefits activity and report via the Corporate Procurement Annual report.

These aims will be supported by the use of Community Benefits in procurement activity as noted below:

1. Community Benefits will be considered and included in all relevant and appropriate procurement activities with an aggregated threshold value as noted below:
 - > Works Contracts >£500,000
 - > Goods/Services Contracts >£50,000

2. The use of Voluntary Community Benefits will be considered in all procurement activities and will be discussed with the recommended supplier. This will also form part of the on-going Contract and Supplier Management process as a means to maximise Community Benefit outcomes.

POLICY DRIVERS

The aims of the Community Benefits Policy are aligned to and support the recent changes in procurement legislation, regulations and statutory requirements both at a national and local level, including:

- > Procurement Reform (Scotland) Act 2014
- > Sustainable Procurement Duty
- > Scottish Government Sustainable Procurement Action Plan
- > Local Government Scotland Act 2003
- > Glasgow Community Planning Partnership
- > Glasgow City Council Strategic Plan 2012-2017
- > Glasgow City Council Corporate Procurement Strategy 2016/18
- > Glasgow City Council Community Benefits Policy 2016

Appendix 3. Community Benefits Policy (Revised)

Community Benefits Definitions

Community Benefit clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of social, economic or environmental conditions into the delivery of council contracts.

Community Benefits which will be targeted for delivery include, but are not restricted to, delivery of the following:

- > Targeted Recruitment and Training Initiatives
- > Educational Support Initiatives
- > Vocational Training
- > Supply Chain Development
- > Community and Environmental Initiatives
- > Supported Business, Third Sector and Voluntary Initiatives
- > Social Enterprise and Co-operative Initiatives
- > Equality and Diversity Initiatives
- > Poverty Initiatives.

Community Benefits can be incorporated in procurement activity in the following ways:

CONTRACTUAL

All contractual Community Benefits form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver contractual community benefits.

Contractual Community Benefits can be incorporated in the following ways:

Evaluated

Community Benefits included as contractual obligations and evaluated as part of the tender process (for example, Targeted Employment and Training Initiatives). A minimum weighting of 10% of the total evaluation criteria will be attributed to Evaluated Community Benefits.

Mandatory

Mandatory Community Benefits can be delivered in two ways:

- > Community Benefit proposals will be offered by the supplier but will not be assessed as part of tender evaluation. Community Benefits offered and accepted by the council will however form part of a supplier's contractual obligations to deliver. This method will be utilised when Evaluated Community Benefits are not appropriate, i.e. within multi-lot framework agreements.
- > Specific requirements may be stipulated within the specification, for example, advertising sub-contracting opportunities or Targeted Recruitment and Training requirements (New Entrants, Work Placements etc.).

Voluntary

The council may seek to encourage Voluntary Community Benefits for a particular procurement activity. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier; however those which are offered and accepted by the council will be reported in the Corporate Procurement Annual Report. Delivery of Voluntary Community Benefits will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.

Appendix 3. Community Benefits Policy (Revised)

Community Benefits Policy Delivery

RESPONSIBILITY AND OWNERSHIP

As the expansion of the Community Benefits Policy involves a number of new activities, it is critical that representatives from across the council support delivery. Responsibility for delivery of the revised Community Benefits Policy will be shared among Key Stakeholders and Strategic Leads across the council:

Key Stakeholders:

- > Corporate Procurement Unit
- > Development and Regeneration Services
- > Jobs and Business Glasgow
- > Service Departments

Strategic Leads:

- > Community Planning
- > Education Services
- > Land and Environmental Services
- > Legal Services
- > Social Work Services.

GOVERNANCE AND MANAGEMENT

To support delivery of the updated Community Benefits Policy, new governance and management arrangements will be implemented. An outline of these arrangements is noted below, with a complete breakdown of the roles and responsibilities of stakeholders provided within the Sustainable Procurement Guidance document.

A Community Benefits Steering Group (CBSG) will be set up to oversee and support the delivery of Community Benefits and wider

sustainable outcomes. The CBSG will be chaired by the Corporate Procurement Unit (CPU) and supported by Strategic Leads and Key Stakeholders. The CBSG will meet on a quarterly basis as a minimum, or more frequently as required.

The role of the CBSG will be to:

- > Lead on the identification and prioritisation of potential Community Benefits opportunities through regular reviews of the Corporate Procurement Unit's Two Year Work Plan
- > Provide feedback to Commodity Owners to support informed discussions with Service Departments
- > Review Community Benefits outcomes achieved
- > Develop the Community Benefits approach through a 'lessons learned' review process
- > Cascade information and escalate issues

As the Strategic Lead for procurement across the council family, the CPU will undertake a number of functions including:

- > Supporting the on-going development of the policy and its implementation
- > Engaging with Service departments to identify and agree Community Benefits outcomes
- > Engaging with the supply base to encourage and influence innovative Community Benefits opportunities
- > Supporting Community Benefits tender evaluation
- > Supporting contract management activities
- > Reporting Community Benefits outcomes within the statutory Corporate Procurement Annual Report.

Appendix 3. Community Benefits Policy (Revised)

Community Benefits Policy Delivery

Strategic Leads have been identified from across the council to maximise the impact of the Community Benefits Policy and to support the development and on-going delivery of the new approach.

The Strategic Leads will have responsibility for:

- Contributing to the Community Benefit Steering Group
- Supporting Commodity Owners and Service Departments in the identification, delivery and monitoring of Community Benefit outcomes relevant to specific areas of expertise
- Supporting Community Benefits tender evaluation relevant to specific areas of expertise
- Supporting successful tenderers in the delivery of the agreed Community Benefits targets to maximise impact.

In addition to being a Strategic Lead, DRS will also support the CBSG using its expertise and knowledge gained from the development and implementation of the original Community Benefits policy from 2008.

This council-wide approach to deliver Community Benefits will require greater involvement and integration from Service Departments. Service departments will be required to:

- Support the delivery of the Community Benefits Policy
- Engage with Commodity Owners and Strategic Leads to identify and agree mandatory and anticipated Community Benefits outcomes
- Support Community Benefits tender evaluation
- Support on-going Contract Management

Legal Services within the council will provide on-going advice and support the activity of the CBSG, while ensuring that relevant Community Benefits clauses are both legally compliant and enforceable.

To maximise the impact of the Community Benefits approach it is important to gain as much influence with the private sector and suppliers as possible. Suppliers will therefore have responsibility for:

- Providing Community Benefits proposals and methodologies to support delivery of outcomes
- Engaging with Commodity Owners, Clients and Strategic Leads to deliver agreed Community Benefits outcomes
- Providing regular monitoring information outlining Community Benefits delivery
- Participating, where appropriate, in 'lessons learned' reviews at project completion.

Appendix 3. Community Benefits Policy (Revised)

Community Benefits Monitoring and Reporting

Successful suppliers will be required to provide regular monitoring information outlining Community Benefits delivery progress. This will enable Glasgow City Council to monitor progress and report on the Community Benefits achieved in the Annual Corporate Procurement Report as mandated by the Procurement Reform (Scotland) Act 2014.

Monitoring information will be reviewed by the Corporate Procurement Unit and relevant Strategic Leads and outcomes will be recorded in the Sustainable Procurement Register once validated by Strategic Leads.

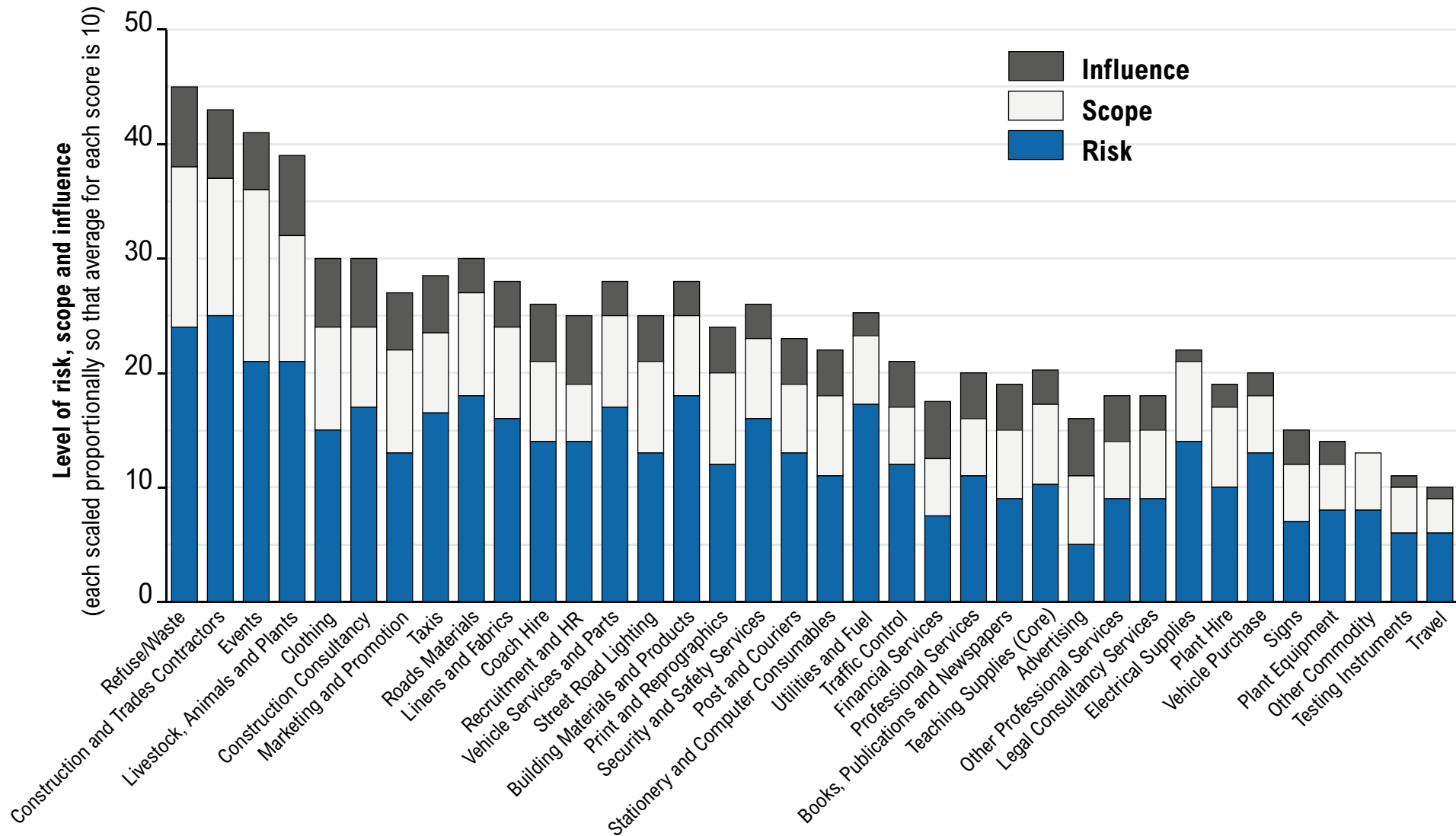
The Community Benefits Steering Group will monitor and review overall Community Benefits outcomes on a regular basis.

The Corporate Procurement Unit will report on Community Benefits outcomes within the statutory annual Corporate Procurement Report. This will be reported at the Public Petitions and General Purposes Policy Development Committee (PPGPPDC).



Appendix 4. Prioritisation Output

Overall Priority Categories



Appendix 5. Mandatory Requirements of the Act and Statutory Guidance Obligations

The Act lays out some mandatory requirements which the procurement strategy must include. In particular:

How the organisation intends to make sure that its regulated procurements will:	Council Response/Strategy Content:
Contribute to the carrying out of its functions and the achievement of its purposes	<ul style="list-style-type: none"> ➤ The council has clear strategic priorities and a strong focus on monitoring and reporting performance. These priorities are embedded and supported by each Service Department via their Annual Service Plan and Improvement Report (ASPIR). ➤ The delivery of this Corporate Procurement Strategy will ensure procurement is delivered in a compliant, effective and efficient manner, provide a clear action plan for improvement and contribute to wider council objectives and priorities. ➤ By making sure early engagement and clear communication channels with Service Departments we will assist in achieving best value. ➤ This strategy will be monitored and reported as per section 6 of this strategy document, to make sure the key objectives are delivered and best value is secured.
Deliver value for money	<ul style="list-style-type: none"> ➤ The successful delivery of the Corporate Procurement Strategy, the application of procurement best practice and undertaking key strategic procurement activities: <ul style="list-style-type: none"> > Early market engagement > By including appropriate lots to promote SME/Third Sector and Supported Business participation > Maximising the impact of each pound spent by including Community Benefit Clauses > Evaluating on the most economic and advantageous criteria > Utilisation of output specification > Challenging the need and demand management > Robust contract management > Application of effective commercial evaluation models

Appendix 5. Mandatory Requirements of the Act and Statutory Guidance Obligations

How the organisation intends to make sure that its regulated procurements will:	Council Response/Strategy Content:
Be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination	<ul style="list-style-type: none"> ➤ The council's Standing Orders Relating to Contracts and Corporate Procurement Manual apply to all contracts made by or on behalf of the Council for the execution of works, the supply of goods and materials and the provision of services. ➤ All procurement activity undertaken must comply with the above process and procedures which secures compliance with the Act and Statutory Guidance. ➤ The Standing Orders Relating to Contracts were revised in March 2016 to reflect the new procurement rules. ➤ In addition to the above, the council engages fully with the Supplier Development Programme (SDP), Ready for Business, Glasgow Social Enterprise Network (GSEN) and the British Organisation for Supported Employment (BASE) in order to understand their organisational needs and share the council's procurement work plan. The council participates in a best practise forum, led by the Equality Commissioning Office, to enable further developments which will tackle inequality.
Be undertaken in compliance with its duty to act in a transparent and proportionate manner	As above.
Comply with the sustainable procurement duty	<ul style="list-style-type: none"> ➤ In adherence with council policies and in light of the Procurement Reform (Scotland) Act 2014, the council has: <ul style="list-style-type: none"> > Incorporated Sustainable Procurement objectives within the Corporate Procurement Strategy > Developed a strategy action plan which comprises 31 actions, of which 34% relate directly to the further embedding of sustainable procurement > Updated Council Standard Orders to reflect the new procurement rules > Revised and expanded our Community Benefits Policy to include all regulated procurement activity > Embedded the SG sustainable tools within procurement processes (for example, sustainable test, prioritisation tool, flexible framework)

Appendix 5. Mandatory Requirements of the Act and Statutory Guidance Obligations

How the organisation intends to make sure that its regulated procurements will:

Council Response/Strategy Content:

Include a statement of the organisation's general policy on:

The use of community benefit requirements	<ul style="list-style-type: none"> ➤ The councils' revised Community Benefits Policy provides this information (see Appendix 5).
Consulting and engaging with those affected by its procurements	<ul style="list-style-type: none"> ➤ The council continues to engage with its stakeholders in a number of ways - including its Comments, Compliments and Complaints Initiative, Household Surveys and Public Consultations. The new public petitions process will further enable communities to engage with the council and participate in the decision making process. ➤ Community Planning is one of the many Strategic Leads within the council, in conjunction with Procurement, which forms a major part in supporting procurement activity including the embedding of the revised CB Policy. This ensures CB requirements and outcomes are aligned to support Local Area initiatives.
Payment of a living wage - to persons involved in producing, providing or constructing the subject matter of regulated procurements	<ul style="list-style-type: none"> ➤ A Fair Work practice (referencing Glasgow living wage) criteria is included in all relevant procurement exercises and is scored as a minimum 5%.
Promoting compliance with health and safety at work, including how a supplier/sub-contractor demonstrates compliance	<ul style="list-style-type: none"> ➤ A health and safety criterion forms part of the evaluation for all relevant and appropriate contracts. This element is a pass/fail criterion within the qualification stage, or a scored criterion within the pre-selection stage.
The provision of prompt payment – no later than 30 days after invoice by the organisation to a supplier and/or sub-contractor, or by a sub-contractor to a sub-contractor	<ul style="list-style-type: none"> ➤ Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions. ➤ Suppliers are required to apply the same terms and conditions with their sub-contractors who are delivering and supporting the council contract.

Appendix 5. Mandatory Requirements of the Act and Statutory Guidance Obligations

How the organisation intends to make sure that its regulated procurements will:

Council Response/Strategy Content:

Include a statement of the organisation's general policy on:

Food procurement

- The council is committed to including health and wellbeing and animal welfare procurement requirements that promote the health, wellbeing and education of communities.
- Procurement requirements relating to Food procurement focus on nutritional quality, health and wellbeing, minimising environmental impact such as packaging and sourcing as well as the application of appropriate animal welfare standards in accordance with all relevant legislation.
- The council will make sure the capability of purchasers to ensure that procurement requirements relating to Fairly and Ethically Traded Goods and Services are applied in a relevant, proportionate and legally compliant manner.

Appendix 6. Strategy Performance Action Plan

1. LEGAL COMPLIANCE AND GOVERNANCE

Objectives, Aim and Outcomes	Performance Indicator	Action Reference	Actions	Target Date
Aim <ul style="list-style-type: none"> > To adopt and implement the Procurement Reform (Scotland) Act 2014 and new Procurement Regulations > To utilise aspects of the new legislation that will provide procurement with greater flexibility and scope to derive best value from procurement activity Outcome <ul style="list-style-type: none"> > Mitigation of the opportunities for procurement challenge > Procurement activity will comply with statutory and regulatory requirements > Procurement documentation updated to reflect new legislation 	No successful legal challenges	1.01	Update Standing Orders Relating to Contracts and cascade changes to informed clients and key stakeholders.	April 2016
		1.02	Update Corporate Procurement Manual and cascade changes to informed clients and key stakeholders.	December 2016
		1.03	Adapt our internal procedures and processes to reflect the required legislative changes.	April 2016
		1.04	Update our procurement documentation to reflect the required legislative changes.	December 2016
		1.05	Consider what skills and development requirements will be necessary within our organisation to support compliance with the new procurement rules. Update the relevant stakeholders and support training requirements.	March 2017
		1.06	Update the relevant stakeholders on New Rules and support training requirements.	March 2017
		1.07	Collaborate with Legal services to make sure a cohesive approach to the implementation of the new legislation and the sharing of best practice.	BAU

Appendix 6. Strategy Performance Action Plan

2. SAVINGS AND ADDED VALUE

Objectives, Aim and Outcomes	Performance Indicator	Action Reference	Actions	Target Date
Aim <ul style="list-style-type: none"> > To support the council in achieving procurement cost saving target, £21 million > Deliver added value procurement > Promote the benefits of early engagement with procurement to council Services Outcome <ul style="list-style-type: none"> > Achieve targeted procurement cost savings > Added value (forexample, cost avoidance, contract management activity and potential outputs) > Improved Purchase to Pay (P2P) processes > More time spent on strategic procurement activities (for example, benchmarking, early supplier engagement, market analysis) 	£10 million Savings Evidence of added value outcomes Reduction in Manual invoice volume More time afforded to strategic Procurement activities	2.01	Utilise MI to target spend that may be positively influenced by procurement.	August 2016
		2.02	Identify, target and negotiate with key contracted suppliers to deliver savings and added value.	September 2017
		2.03	Promote and further embed contract and supplier management (CSM) activities within the council family by working together with our stakeholders and suppliers to deliver greater outcomes.	BAU
		2.04	Investigate and apply more effective commercial evaluation models (for example, whole life/life cycle costing) and encourage innovation (outcome specifications/variant bids) to ensure and deliver best value.	March 2017
		2.05	Reinforce, with the support of senior management, the need and requirement (based upon the Act/ Regulations) to enhance early engagement with services and suppliers to enable and afford innovative strategic sourcing options - for example, market intelligence, benchmarking, alternative solutions.	March 2017
		2.06	Review key national and sectoral collaborative frameworks to determine best value.	March 2017
		2.07	Collaborate with colleagues in council family to identify Purchase to Pay (P2P) improvements, efficiencies and potential cost saving exercises (for example, early payment, reduction in paper invoices, etc.)	July 2017
		2.08	Utilise the Transformation Procurement Board to highlight and promote revenue savings achieved by procurement activity.	BAU

Appendix 6. Strategy Performance Action Plan

3. LEANER, MORE EFFICIENT AND EFFECTIVE PROCUREMENT FUNCTION

Objectives, Aim and Outcomes	Performance Indicator	Action Reference	Actions	Target Date
Aim > An appropriately skilled and resourced procurement function > Remove aspects of the procurement process that do not add value > To support the council's Transformation programme – Leaner Enabling Operations (LEO)	Reduce the council's procurement toolkit Increase percentage of strategic procurement activity Improvement in Procurement Annual Survey i.e. reduction in high priority actions.	3.01	Identify internal duplication of tools and documentation.	June 2017
		3.02	Continue to utilise collaborative frameworks where appropriate and further engage and develop our relationships with other Local Authorities (LAs) and wider public sector (for example, NHS).	March 2017
		3.03	Review our current commodity categorisation and strategically align with service requirements.	November 2017
		3.04	Utilise the corporate procurement strategic training methodology to identify and prioritise training requirements resulting from the council's transformation programmes.	March 2017
		3.05	Utilise enhanced data gathering processes and analysis to assist with workforce planning, resource allocation and workload prioritisation.	October 2017
		3.06	Investigate potential improvements in procurement related ICT.	November 2017
		3.07	Identify and embed aspects of the new procurement legislation that allow for quicker and more efficient procurement (for example, reduced timescales).	October 2017
Outcome > New procurement structure > Leaner processes and improved procurement documentation > Revised commodity categorisation > Identified Information and Communications Technology (ICT) improvements				

Appendix 6. Strategy Performance Action Plan

4. DELIVER SUSTAINABLE PROCUREMENT ACROSS THE COUNCIL

Objectives, Aim and Outcomes	Performance Indicator	Action Reference	Actions	Target Date
Aim > To be compliant with the Procurement Reform (Scotland) Act 2014 and general and other duties contained therein, including the Sustainable Procurement Duty > To facilitate, support and promote the benefits of sustainable procurement including supporting the transition to a circular economy, whole life costing, early supplier involvement and innovative products and solutions > Further embed sustainability in procurements in a relevant and proportionate manner, as required by the Procurement Reform (Scotland) Act 2014, including consideration of intended outcomes relating to Climate Change, Materials, Waste, Hazardous Materials, Biodiversity, Heritage, Water, Community Benefits, Health and Wellbeing, Security and Crime, Fairly and Ethically traded Supplies and Service, Promotion of Equality and Fair Work Practices		4.01	Utilise the Scottish Government's sustainable prioritisation tool to identify and prioritise procurement activity within the CPU work plan.	March 2017
		4.02	Utilise the Flexible Framework Self-Assessment Tool (FFSAT) to provide a Sustainable Action Plan to establish the performance level of sustainable procurement across the council.	August 2016
		4.03	Disseminate and engage with key stakeholders to make sure the successful delivery of the Sustainable Action Plan.	October 2016
		4.04	Continue to support and improve access to procurement opportunities for SMEs, Supported Businesses, Social Enterprises, Co-operatives and Third Sector	December 2016
		4.05	Encourage innovation by utilisation of outcome specifications and or variant bids, where relevant and proportionate.	September 2016
		4.06	Embed the revised Community Benefits policy.	December 2016
		4.07	Create and manage a sustainable register to capture, monitor and report on the sustainable outcomes achieved via procurement activity, and link to related internal and external reporting requirements.	August 2017
		4.08	Refine the Community Benefits Evaluation and Monitoring Model.	December 2016

Appendix 6. Strategy Performance Action Plan

4. DELIVER SUSTAINABLE PROCUREMENT ACROSS THE COUNCIL

Objectives, Aim and Outcomes	Performance Indicator	Action Reference	Actions	Target Date
Aim <ul style="list-style-type: none"> > To provide best value for the council family and secure wider social, economic and environmental benefits for the local area > To promote and support the council's strategic objectives, key priorities and policies 		4.09	Continue to support council key policies linked to sustainable procurement (for example, Fair Work Practices in Procurement, the Equalities Act 2010, Climate Change Declaration, Fair Trade City, etc.) by establishing a mechanism for all relevant stakeholder to discuss and agree the implications to the procurement process including how to embed accordingly.	December 2016
Outcomes <ul style="list-style-type: none"> > Demonstrable Sustainable benefits > Compliance with the Sustainable Procurement Duty > Improved accessibility to contracts for SMEs, Social Enterprises, Co-operatives and Third Sector > Improved level of performance in sustainable procurement > To promote and support the council's strategic objectives, key priorities and policies 	Community Benefit Outcomes No challenges Increase in invitations to quote for these sectors Improvement in performance level of sustainable procurement as identified via the FFSAT			

Appendix 7. Glossary of Terms

There are a number of Council, CPU and procurement-specific terms that are widely used throughout this report. For the purposes of this document the following terms are defined below:

TERM	DEFINITION
ALEO	Arm's Length External Organisation. Also known as the council family.
Circular Economy	A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.
Commodity	Taxonomy (classification) for the entire Council, to give the Council the ability to accurately describe the primary business activities of their suppliers. The commodity approach presently used by the Council was defined back in 2006 and remains in force today.
Community Benefits	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits.
Community Benefits Clauses	Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of council contracts.
Cooperatives	An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.
Cost Avoidance	The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a "soft" cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.
Contract Management	Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.
Flexible Framework Self-Assessment Tool (FFSAT)	This tool will help organisations assess where their current level of performance lies and the actions required for improving their performance. The SSAP recommends that organisations carry out initial and periodic self-assessments against the FFSAT. This enables measurement against various aspects of sustainable procurement.

Appendix 7. Glossary of Terms

TERM	DEFINITION
Glasgow Council Family	This is a term used by the council which encapsulates all the ALEOs that are owned and controlled by Glasgow City Council.
Small and Medium Sized Enterprises (SMEs)	Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.
Social Enterprises	A revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.
Spend savings	The paying of lower prices for the same goods or services as before.
Sustainable Procurement	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.
Whole Life Costing (WLC)	WLC is a technique used to establish the total cost of acquisition and ownership. It is a structured approach which addresses all the elements of cost and can be used to produce a spend profile of the product over its anticipated lifespan.
Work Plan	List of upcoming procurement activity including re-tenders, extensions, and new activity.