

**Appendix B**

**Midlothian Council**  
**Annual Procurement Report**  
**(1<sup>st</sup> April**  
**2019 – 31<sup>st</sup>**  
**March 2020)**

## **Contents**

1. Introduction
2. Summary of Regulated Procurement
3. Review of Regulated Procurement Compliance
4. Community Benefit Summary
5. Supported Business Summary
6. Future Regulated Procurements Summary

Appendix 1: Regulated Procurements Completed

Appendix 2: Regulated Procurement Forward Plan 2020-22

## Introduction

The Procurement Reform (Scotland) Act 2014 requires any public contracting authority such as Midlothian Council (who is required to publish a procurement strategy) to prepare and publish an annual procurement report on all our regulated procurement activities.

The annual procurement report is intended to:

- Aid visibility of procurement activities
- Be a mechanism for conveying how the Council is meeting legislative requirements; and
- Outline how the Council's procurement activity is contributing to the delivery of its broader aims and objectives.

Section 18(2) of the Procurement Reform (Scotland) Act 2014 details the minimum content of the annual procurement report:

- A summary of regulated procurements completed during the year
- A review of whether those procurements complied with the authority's procurement strategy
- Where any procurements did not comply, a statement of how the authority intends to ensure future regulated procurements do comply
- A summary of community benefit requirements imposed as part of the regulated procurement that were fulfilled during the year
- A summary of any steps taken to facilitate involvement of supported businesses
- A summary of regulated procurements the authority expects to commence in the next 2 financial years

This procurement report will review Midlothian's Procurement Strategy 2018-2023 and evaluate the organisations procurement activity and further supports Midlothian Council's commitment to transparency within it procurement activity.

## **Summary of Regulated Procurements**

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of the regulated procurements that have been completed during the year covered by the report”.

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call-offs from existing framework agreements.

The principle of transparency requires an organisation to approach its public procurements in an open and inclusive manner.

During the period of this annual procurement report (1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020) Midlothian Council carried out the regulated Procurements found in Appendix 1 and provides a high level summary which includes:

- The date of award
- The name of the supplier(s)
- Title of contract
- Estimated value of contract/framework
- Contract start date
- Contract end date

## **Review of Regulated Procurement Compliance**

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisations procurement strategy. Section 18(2) states that an annual procurement report must include a “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”.

Prior to the commencement of any regulated procurement exercise a commodity strategy is developed. Commodity strategies are reviewed as part of the governance procedures. This involves a review by the project team and various members of management to ensure commodity strategies reflect and adhere to the values and principles set out in the overall procurement strategy. Commodity strategies reflect Midlothian Council’s procurement strategy and ensure that the procurement exercise follow a journey that embeds our organisations principles, values and objectives.

This methodology represents and ultimately ensures that all regulated procurements align with the Procurement Strategy. Furthermore, our approach to strategic procurement in this way maximises the added value potential in each and every procurement exercise.

Midlothian has recently reviewed the commodity strategy template to incorporate any changes to legislation with a particular focus on data protection and the recent introduction of GDPR. We continually strive to strengthen and develop our internal governance and recognise that strategy development is crucial in the creation of our contracts and frameworks.

To ensure suppliers (locally and nationally) are paid timeously the Council is committed to paying all suppliers within 30 days. 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 subcontractors who are supporting and delivering the council contract. During the reporting period the Council paid 93.1% of invoices within agreed timescales.

The combined strategy development and procurement processes in place ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework, and as a result in compliance with our overarching Procurement Strategy.

## **Community Benefit Summary**

Section 18(2) of the Procurement Reform (Scotland) act states that it is mandatory for the annual procurement report to include a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities must consider whether to impose community benefit requirements as part of the procurement when the estimated contract value is greater than or equal to £4,000,000. However, community benefits are a key objective of the Council's Procurement Strategy 2018-2023 meaning all appropriate procurements must consider community benefits during the commodity strategy stage.

Incorporating community benefits into our procurement activity recognises that we contribute to the delivery of social and environmental benefits. Suppliers are required to make a community benefits submission as part of their overall tender submission. Community benefits secured through the procurement process are recorded and monitored over the lifetime of the contract, going forward this will be carried out using the Cenefits software system .

Key community benefit outcomes secured during the reporting period include:

- Targeted Recruitment
- Apprenticeships created
- New jobs created
- Workplace/site visits for college students
- Workplace/site visits for school pupils
- Work experience Placements (College/University students)
- Work experience Placements (Schools)
- Meet the buyer events
- Financial support for communities

### **Supported Businesses Summary**

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.

Supported Businesses make an important contribution to the Scottish economy, through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who otherwise may be excluded from the workplace.

The council's procurement manual instructs that consideration be given to inclusion of supported businesses in all regulated procurements. In addition the procurement intranet page includes details of supported businesses who currently have contracts with Scottish Government and Scotland Excel.

During the reporting period there were no regulated Midlothian procurements awarded to supported business. The reason for this is that the goods, services or works associated with the awarded contracts over the reporting period are not currently provided by existing supported businesses.

### **Future Regulated Procurements Summary**

Section 18(2) of the Procurement Reform (Scotland) Act 2014 states that is mandatory that the annual procurement report must include a summary of the regulated procurements the authority expects to commence in the next two financial years.

Acting in a transparent and proportionate manner is an effective way by which an organisation can encourage competition and achieve better value for money in its procurements. It promotes wider participation in the public procurement process and this information will give notice to suppliers of future opportunities.

Future regulated procurements have been identified via the following means:

- Current contracts on the council's contract register that will expire and need to be extended or re-let over the next two years.
- New procurements identified via future work plans provided by Council service teams.

A full list of anticipated procurements in the next two years can be seen in Appendix 2.

#### **Appendix 1 –Regulated Procurements**

<b>Award Date</b>	<b>Suppliers</b>	<b>Contract Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Estimated Value</b>
20/11/2019	Ogilvie Construction Ltd	Proposed Housing Development Including	01/11/2019	01/04/2021	£12,935,000

		Intermediate/Extra Care Facility			
16/10/2019	Camerons	Mayfield Town Centre masterplan	02/10/2019	30/10/2019	£79,275
30/09/2019	Integri Consultants Ltd	Development and Commercial Management Services	10/09/2019	10/09/2022	£2,000,000
14/06/2019	Fleming Buildings Ltd	Extension and Internal Alterations at Sacred Heart PS	26/04/2019	26/04/2020	£2,965,349.6
20/12/2019	Instock Disposables Ltd	Mini Comp for Janitorial Products	21/10/2019	20/10/2023	£400,000
28/06/2019	Midlothian Sure Start	Family Learning Centres	01/07/2019	30/06/2022	£2,829,035

## Appendix 2 – Future Regulated Procurements

Subject Matter (Commodity)	Title of Contract	Contract Start Date	Estimated Total Contract Value	Type
Property and Facilities Management	M&E Term Contract	Mar-21	£4,600,000	Retender
Property and Facilities Management	Supply of External Doors and Window Units	Mar-21	£3,000,000	Retender
Property and Facilities Management	Provision of Servicing, maintenance and Upgrading of Domestic gas Central heating System	Nov-20	£8,250,000	Retender



Commercial Services	Treatment of Residual Waste and Associated Services	Jul-20	£4,000,000	Retender
Property and Facilities Management	Roughcasting	Mar-21	£3,000,000	New Opportunity
Property and Facilities Management	Burnbrae Road Bonnyrigg Housing and Retail Development	Nov-20	£3,500,000	New Opportunity
Property and Facilities Management	Housing at 32-38 Buccleuch Street Dalkeith	Mar-21	£2,500,000	New Opportunity
Land and Countryside	Framework for Horticultural Supplies	Nov-20	£330,469	Retender
Roads	Framework for Highway maintenance	Mar-21	£4,000,000	Retender
Property and Facilities Management	Stobhill Road Phase 4	Mar-21	£9,417,000	New Opportunity
Property and Facilities Management	Dundas Highbank Extra Care	Mar-21	£5,958,000	New Opportunity
Property and Facilities management	Newbattle High School	Mar-21	£13,453,000	New Opportunity
Property and Facilities Management	M&E Term Contract	Mar-21	£4,600,000	Retender
Business Solutions	Customer Service Platform	Apr-2020	£787,000	Re-Tender
Economic Development	Midlothian Science Zone Co-ordinator	Apr-20	£100,000	New Opportunity
HR Services	Physiotherapy Services	Apr-20	£90,000	Re-Tender
HR Services	Employee Assistance Programme	Mar-21	£88,000	Re-Tender
Transport	Provision of Taxi Services	Aug-21	£7,000,000	Re-Tender
Sport & Leisure	Ski Matting	Feb-21	£500,000	Re-Tender

Health and Social Care Partnership	Community Mental Health Support Services	Jan-21	£2,040,000	Re-design of Service
Health and Social Care Partnership	Carer Support and Short Breaks Service	Jan-21	£1,554,000	Re-design of Service
Health and Social Care Partnership	Care at Home	Apr-21	£20,000,000	Re-tender
Education	Early Learning and Childcare	Jun-21	£21,405,561	New
Education	School Counselling Service	May-21	£700,000	New
Health and Social Care Partnership	Primrose Lodge – LD Complex Care Facility	Aug-21	TBC	New
Health and Social Care Partnership	Day Care Services	May-22	TBC	Re-design of Service
Health and Social Care Partnership / Children's Services	Advocacy Services	Apr-22	£500,000	Re-design of Service
Health and Social Care Partnership	LD Complex Care	Jan-22	TBC	New
Commercial Services	Weather Forecasting and Related Services	Jan-22	£530,000	Re-Tender
Property and Facilities Management	Former Coop Site Bonnyrigg Phase 4	Apr-22	£4,900,000	New
Financial Services	Insurance Brokerage	Jan-22	£50,000	Re-tender
HR Services	Occupational Health	Apr-22	£320,000	Re-Tender
Financial Services	Insurance Services	Jul-22	£900,000	Re-Tender
Housing Services	Sheriff Officer & Debt Collection Services	Aug-22	£500,000	Re-Tender
Corporate Services	Document Storage & Related Services	Nov-22	TBC	Re-Tender