

**Report To:** Policy & Resources Committee

**Date:** 15<sup>th</sup> November , 2011

**Report By:** Chief Financial Officer

**Report No:** FIN/109/11/AP/BH

**Contact Officer:** Brendan Hurrell

**Contact No:** 01475 712654

**Subject:** Public Contracts Scotland – Difficulties when the Council tenders

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to fulfil a request made at the Regeneration Committee on the 1<sup>st</sup> of September 2011 in relation to a report on Building Services Unit (BSU) tendering difficulties in respect of issues with the Public Contract Scotland (PCS) website which meant that e mail alerts from PCS were not received by the Service.

## **2.0 SUMMARY**

- 2.1 The Corporate Director Regeneration and Environment submitted a report to the 1<sup>st</sup> of September Regeneration Committee detailing the issues that were encountered when the Councils BSU attempted to tender for River Clyde Homes contract for the refurbishment of 550 homes.
- 2.2 One of the concerns raised was that the BSU were not notified that tender documents had been issued. The tendering system is a fully electronic one and documents are posted on the Public Contracts Scotland web portal. Tenderers are then notified that the documents are available to download by an automatically generated email. Due to the way the email was generated the Council's email system regarded it as suspicious and rejected it. Notification was therefore not received resulting in the timeframes in which a tender response could be formulated being reduced.
- 2.4 The Corporate Procurement Manager has raised the issue with Public Contracts Scotland and they have replied that there are no solutions which they could implement to remedy this situation and that this was an internal matter for the Council.
- 2.5 The ICT Service Delivery Manager has advised that the issue arose due to the fact that the organisation issuing the tender (RCH) shared the same e mail system as the organisation submitting the tender (The Council) and that a similar issue will no longer arise from December 2011 when River Clyde Homes change to a new ICT service provider..
- 2.6 The only situation where a similar issue could arise would be if the Council were tendering for either an internal contract or a tender issued via PCS by Inverclyde Leisure

### **3.0 RECOMMENDATION**

3.1 The Policy and Resources Committee is asked to note of the contents of this report.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 The Corporate Director Regeneration and Environment submitted a report to the 1<sup>st</sup> of September Regeneration Committee detailing the issues that were encountered when the Councils BSU attempted to tender for River Clyde Homes contract for the refurbishment of 550 homes.
- 4.2 One of the concerns raised was that the BSU were not notified that tender documents had been issued. The tendering system is a fully electronic one and documents are posted on the Public Contracts Scotland web portal. Tenderers are then notified that the documents are available to download by an automatically generated email.
- 4.3 E-mails to notify suppliers, including the Council in this instance, are generated by the Buyer. As RCH were the buying party they generated the e-mail notifications to the Council. As the Council currently manage the RCH ICT system and associated e-mail system, the Councils ICT system, treated notifications from RCH as 'spooft' e-mails. In other words the system treated them as suspicious e-mails which can be used to infiltrate systems, to gain access to data or cause damage to the systems infrastructure.
- 4.4 The ICT Service Delivery Manager has advised that the issue arose due to the fact that the organisation issuing the tender (RCH) shared the same e mail system as the organisation submitting the tender (The Council) and that a similar issue will no longer arise from December 2011 when River Clyde Homes change to a new ICT service provider..
- 4.5 The emails sent by the PCS system use the email address of the designated person in the buying organisation as the sender's name. It is this that causes the problem, due to the fact that the Council's anti spoofing software correctly interprets an email from outside of its system sent by an internal email address as being malicious. The anti spoofing system cannot be disabled as this would lead to a deluge of spoof emails entering the Council's system – a potentially severe security risk
- 4.6 The Corporate Procurement Manager has raised the issue with Public Contracts Scotland and they have replied that there are no solutions which they could implement to remedy this situation and that this was an internal matter for the Council.

## **5.0 IMPLICATIONS**

### 5.1 Finance

### 5.2 Personnel

N/A

### 5.3 Legal

### 5.4 Equality

N/a