
Report To: Policy & Resources Committee

Date: 15 November 2011

Report By: Chief Financial Officer

**Report No:
FIN/112/11/AP/BH/GM**

Contact Officer: Brendan Hurrell

Contact No: 2654

Subject: Trial of Electronic Tendering

1.0 PURPOSE

1.1 The purpose of this report is to obtain Committee approval to suspend 6.5 of the Standing Orders relating to Contracts as permitted in terms of Standing Order 2.3 of the Standing Orders to trial Electronic Tendering for 3 contracts as detailed within this paper.

2.0 SUMMARY

2.1 Inverclyde Council utilises Public Contracts Scotland for advertising contract opportunities. The current process permits tenderers to download documents from the Public Contracts Scotland Portal but tender returns must be submitted hardcopy, in accordance with 6.5 of the Standing Orders relating to Contracts.

2.2 The Chief Financial Officer requests approval in terms of 2.3 of the Standing Orders relating to Contracts to suspend 6.5 of the Standing Orders and to trial electronic tendering in respect of the contracts specified in paragraph 2.3 below. This will allow tenderers to upload completed tenders into the tender mailbox within the Public Contracts Scotland Portal. Please refer to Appendix 1 (points 7 & 8) for further information in relation to the tender mailbox facility contained within Public Contracts Scotland.

2.3 The 3 contracts that have been selected for this electronic trial are as follows:

- Hire of Surfacing Plant – £120,000
- Dilapidation Surveyors - £230,000
- Nelson Street Sports Centre Refurbishment Project - £600,000

3.0 RECOMMENDATIONS

It is recommended that the Policy & Resources Committee:

- (i) approves the suspension of 6.5 of the Standing Orders relating to Contracts to trial electronic tendering for the 3 contracts detailed within paragraph 2.3 above; and
- (ii) notes that a report on the outcome of the trial will be presented to Committee in due course.

**Alan Puckrin
Chief Financial Officer**

4.0 BACKGROUND

4.1 The current Contract Standing Orders state that the Council must receive hardcopy tender returns from suppliers. There has been a move away from this method of tender receipt in recent years with the advent of electronic tendering in the public sector in Scotland.

4.2 Inverclyde Council utilises Public Contracts Scotland (PCS) for elements of the tender process but it has been recognised that the PCS portal has not been utilised to full potential. The tender mailbox facility is currently used for opportunities below the EU Procurement thresholds and demonstrates a clear audit trail. Therefore, consideration should now be given to the perceived benefits to both the business and suppliers of adopting electronic tendering for all contract opportunities such as:

- Reduced tender cycle time;
- Reduction of paper trail on tendering exercises, reducing cost to both buyers and suppliers;
- Reduction in the labour-intensive tasks of receipt, recording and distribution of tender submissions;
- Reduction in journeys made to deliver tenders and therefore a reduction in carbon footprint;
- Faster response to questions and points of clarification during the tender process;
- Reduction in margin for error at tender evaluation stage;
- Robust electronic audit trails; and
- No cost to suppliers.

4.4 The tender workplan for 2011/2012 has been reviewed to identify 3 contract opportunities that should be used for this proposed electronic tendering pilot. The 3 contracts have been selected as follows:

- Hire of Surfacing Plant – £120,000
- Dilapidation Surveyors - £230,000
- Nelson Street Sports Centre Refurbishment Project - £600,000

4.5 The Procurement Manager will draft temporary procedures for this trial of e-tendering in conjunction with Internal Audit and Legal & Democratic Services.

5.0 IMPLICATIONS

5.1 Finance: None

Legal: This proposal requires the suspension of 6.5 of the Council's Standing Orders relating to Contracts. Any long term change will form part of the subsequent report to be presented to Committee on the outcome of the trial. Prior to the trial, the Service should ensure that robust and auditable procedures are put in place to ensure transparency in the electronic opening process.

Personnel: None

6.0 CONSULTATION

6.1 The Head of Legal & Democratic Services has been consulted in the preparation of this report.

Scottish Procurement Directorate

Scottish Procurement Policy Note

SPPN 5/2009

Date 24 June 2009



The Scottish
Government

Public Contracts Scotland/National Advertising Portal System Developments – Quick Quote & Tender Mailbox

Purpose

1. To provide all public sector organisations with information on the National Advertising Portal (Public Contracts Scotland) relating to Quick Quote and tender mailbox functions.

2. *Previous related correspondence regarding Public Contracts Scotland – SPPN 12/2008 : 2nd September 2008 and SPPN 4/2009 : 22nd June 2009*

Quick Quote

3. Quick Quote is an efficient solution for low value procurement exercises which will benefit contracting authorities and still provide a “one stop shop” for suppliers intending to supply the Scottish public sector.

4. Quick Quote is an online request for quotation facility. It is used to obtain competitive quotes for low value/low risk procurement exercises from suppliers who are registered on the portal. The Quick Quote request is created online and sent to a selected list of suppliers. Only those suppliers selected to quote can access the details of the quote and submit a bid. Registered suppliers complete the required details and submit their quotation using the secure electronic post-box. A full electronic audit trail is maintained.

5. Quick Quote is intended to provide a standard simplified method of operation in line with best practice models for low value procurement exercises. It will provide a standard business process for low value procurement exercises across Scotland. This will help demonstrate transparency, provide management information and increased auditability, meaning that the portal provides one place for suppliers to register for both high value contracts and low value quotations.

6. Before implementing Quick Quote within your organisation, you should ensure that incumbent suppliers have been informed of any changes to current processes. Please note that all suppliers registered on Public Contracts Scotland have been informed of this new functionality being made available to contracting authorities. Quick Quote should not be used for high value/high risk procurement exercises. Organisations must satisfy themselves that using Quick Quote meets their obligations for adequate publicity.

Electronic Post-box

7. The electronic post-box an optional online submission facility which allows contracting authorities to receive tender responses from suppliers electronically in a secure environment. Tender responses are submitted through "Public Contracts Scotland" and held in the secure electronic post-box until the deadline for responses has expired. Selected members of an authority can then unlock the post-box to access the submissions. The post-box can be used for receipt of all completed procurement documents. A full audit trail is kept of all access to the post-box and a complete record of all supplier submissions is stored.

8. The electronic post-box facility allows such organisations who do not have e-sourcing/e-tendering capabilities to attach, publish and receive tender documents in a secure online environment resulting in a more efficient procurement process. This functionality presents an opportunity for the replacement of costly and time consuming paper based tender processes in many organisations. However, if public bodies currently have an alternative electronic solution they may choose to continue to use it.

9. Both quick quote and the electronic post-box facility are free for contracting organisations and suppliers.

Training Links/Guides

10. It is advised that contracting organisations familiarise themselves with this functionality through reading the relevant user/supplier training guides which can be found at the url below, and/or by contacting the relevant Public Contracts Team member for associated training/guidance.

http://www.publiccontractsscotland.gov.uk/sitehelp/help_guides.aspx

Dissemination

11. Please bring this SPPN to the attention of all relevant staff within your field of responsibility to whom the note may be of interest.

Contact

12. Enquiries about this SPPN should be addressed to Public Contracts Scotland Support - www.publiccontractsscotland.gov.uk. Please contact our Help Desk on 0870 6091468 or email: support@publiccontractsscotland.gov.uk.

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