

Report To: Policy & Resources Committee **Date:** 21st May 2013

Report By: Corporate Director Environment
Regeneration and Resources **Report No:** DR/089/AF/BH

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Subject: Suspension of Standing Orders to Pilot New Electronic Tendering System

1.0 PURPOSE

- 1.1 The purpose of this report is to inform the Policy and Resources committee of the intention to use a new e-tendering system and to seek Committee approval to suspend Contract Standing Orders 6.5 and 6.6 to enable Corporate Procurement to pilot the new system.

2.0 SUMMARY

- 2.1 Following a successful trial of electronic tender opening, the Standing Orders were amended in February 2013 to permit tenders to be advertised and bids received electronically through the Public Contracts Scotland portal. This is dealt with at Contract Standing Orders 6.5 and 6.6 which are set out in section 4.1 of this report.
- 2.2 The Scottish Government is keen that all public purchasing authorities utilise a further e-procurement tool called PCS-Tender. This solution is a Web based software application which allows the Council to manage the full life cycle of the tender process. The solution includes the ability for documentation to be signed off by management at certain key stages of the procurement process and for bids to be received electronically. The Scottish Government have agreed a 4 year contract with Bravo Solutions. There is no charge for the use of this portal.
- 2.3 An implementation programme, involving the adoption of the system by individual public bodies and the training of each organisation's professional procurement officers is being conducted by Scottish Procurement in conjunction with Scotland Excel.
- 2.4 Audit and Legal Services have been working closely with Corporate Procurement with regard to the roll out of the new system to the Council's procuring officers. This will involve a change in culture. A slow iterative roll out is therefore envisaged.
- 2.5 Suspension of Contract Standing Orders 6.5 and 6.6 is being requested at this point for a period until the September Policy and Resources Committee to enable Corporate Procurement to pilot PCS-Tender under the supervision of the Corporate Procurement Manager and in particular to permit tenders to be received electronically through PCS-Tender. This will enable Corporate Procurement to take advantage of the short term offer of support and training from Scottish Procurement and Scotland Excel.
- 2.6 A subsequent report will be submitted to Committee at the end of the pilot period to inform Committee of the outcome and the next steps in this change of process.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves the suspension of Contract Standing Orders 6.5 and 6.6 for a period the period up until September Policy and Resources Committee to enable Corporate Procurement to pilot the new electronic tendering system, PCS-Tender.
- 3.2 That a further report on the outcome of this pilot is given to the Policy and Resources Committee in September.

Aubrey Fawcett
Corporate Director Environment Regeneration and Resources

4.0 BACKGROUND

4.1 Following a successful trial of electronic opening, the Standing Orders were amended in February 2013 to permit tenders to be advertised and bids received electronically through the Public Contracts Scotland portal. This is dealt with at Contract Standing Orders 6.5 and 6.6 which state as follows:

6.5. Where tenders are invited by advertising the contract opportunity on the Public Contracts Scotland portal, no tender shall be considered unless it is submitted electronically through the portal, unless prior to such advertising the approval of the Corporate Procurement Manager is given to use the procedure set out at Order 6.6 Below.

6.6. Subject to Order 6.5 above, in all other cases where tenders are invited, no tender shall be considered unless it is contained within a plain envelope securely sealed and bearing the word 'Tender.....' followed by the subject matter to which the tender relates. The envelope shall not bear any mark that identifies the tenderer.

4.2 The Scottish Government is keen that all public purchasing authorities utilise a further e-procurement tool called PCS-Tender for above OJEU threshold and below OJEU threshold procurements. This solution is a Web based software application which allows the Council to manage the full life cycle of the tender process. This includes: building tender documents, inviting tenders, receiving bids and evaluating them through a secure portal. The solution also includes the ability for documentation to be shared internally and signed off by management at certain key stages of the procurement process. The Scottish Government have agreed a 4 year contract with Bravo Solutions. There is no charge for the use of this portal.

4.3 PCS-Tender is closely linked with [Public Contracts Scotland](#) (PCS). This allows suppliers to navigate from a contract notice placed on PCS, to collect the electronic tender documents within PCS-Tender and submit their bids electronically through PCS-Tender. Contract Standing Orders 6.5 and 6.6 presently permit electronic tenders to be received only via the Public Contracts Scotland portal. The use of PCS-Tender will require that tenders are received into a secure 'inbox' within this separate web application. A suspension of Standing Orders 6.5 and 6.6 is therefore required, as permitted under Standing Order 2.3.1, to enable bids to be received via PCS-Tender.

4.4 An implementation programme, involving the adoption of the system by individual public bodies and the training of each organisation's professional procurement officers is being conducted by Scottish Procurement in conjunction with Scotland Excel.

4.5 Audit and Legal Services have been working closely with Corporate Procurement with regard to the roll out of the new system to the Council's procuring officers. This will involve a change in culture. A slow iterative roll out is therefore envisaged to ensure competency and that the new system is used appropriately and to its full capability.

4.6 Suspension of Contract Standing Orders 6.5 and 6.6 is being requested at this point until September Policy and Resources Committee to enable Corporate Procurement to pilot PCS-Tender under the supervision of the Corporate Procurement Manager and in particular to permit tenders to be received electronically through PCS-Tender. This will enable Corporate Procurement to take advantage of the short term offer of support and training from Scottish Procurement and Scotland Excel.

4.7 As per Standing Order 2.3.1, the Corporate Director Environment, Regeneration and Resources, the Head of Legal and Democratic Services and the Chief Financial Officer jointly recommend that the content of this report sets out special circumstances justifying the short-term suspension of Standing Orders 6.5 and 6.6 in this case.

4.8 A subsequent report will be submitted to Committee at the end of the pilot period to inform Committee of the outcome and the next steps in this change of process.

5.0 FINANCIAL IMPLICATIONS

5.1 Financial Implications – None

6.0 LEGAL IMPLICATIONS

6.1 Legal and Democratic Services have been consulted on the content of this paper and will continue to work with Corporate Procurement in the roll out of the system. The Chief Internal Auditor has been consulted on the content of this paper and will work with colleagues from Procurement and Legal to ensure there are robust auditable controls embedded within the system as it is rolled out and used.