



# **Procurement Strategy**

**March 2019 to July 2022**

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Author: Jennifer McLaren, Vice Principal, Finance & Curriculum Services

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## Section 1 – Introduction

The Vice Principal, Finance and Corporate Services oversees the Procurement function of the college and the Procurement Co-ordinator is responsible for the implementation of the Procurement Strategy.

This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014 and other relevant legislation and is aligned with the college's and the Scottish Funding Council's key strategic outcomes as detailed in our Regional Outcome Agreement and Strategic Plan.

The key elements of the legislation:

- require us to publish a Procurement Strategy and Action Plan
- require us to maintain a Public Contract Register on our external website
- increase the scope of our regulated procurements
- publish an Annual Procurement Report as part of best practice
- require us to meet the sustainable procurement duty

This Strategy has also been informed by the Scottish Procurement's statutory guidance and with the support of APUC Ltd, the procurement centre of expertise for all of Scotland's colleges and universities.

The global climate emergency is a strategic national priority, recognised by the Scottish Government, COSLA, and public bodies across Scotland and forms a central tenet of a green recovery. Scottish Procurement Policy Notes published in 2021 further emphasise the focus on sustainability in procurement, addressing Climate and Circular Economy (SPPN 1/2021) and Fair Work (SPPN 3/2021) which have also informed this updated Strategy.

While the college is not obligated to produce a strategy under the regulations, the college has taken the decision to do so, to demonstrate best practice.

## Section 2 – Procurement Vision/Mission Statement

The college's Vision, Goals and Values are summarised in the graphic below:



Cost effective and best practice procurement is an essential factor in ensuring that the college makes the most of its limited resources to attract the best students and staff. By purchasing appropriate and reliable goods and services, the college is able to stretch budgets in support of its teaching, community and business support objectives.

The college has a shared Procurement Co-ordinator who is responsible for tendering activity and supporting the college's purchasing activities undertaken in a variety of ways within academic and support functions. The intention of the Procurement Strategy is to set out a number of key objectives to encourage, monitor and deliver the most effective procurement process.

## Section 3 – Procurement Policy

Our Procurement Policy and Procedures set out our operational framework of how we procure all goods, services and works on behalf of the college. The policy and associated procedures ensure all procurement of goods, services and works are achieved at competitive prices, are governed by the Government Procurement Agreement (GPA) Principles of equal treatment, non-discriminatory, mutual

recognition, transparency, proportionality, are following the sustainable procurement duty, and other relevant statutory requirements. In adherence to the regulations the college can demonstrate its accountability for, and good stewardship of, the funds at its disposal.

The policy is therefore intended to:

- ensure that procedures are in accordance with standards of public accountability;
- ensure that the college is compliant to its obligations under the Public Procurement (Scotland) Act 2015, the Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016; and
- promote equality, diversity and sustainability through procurement matters.

## Section 4 – Strategic Aims, Objectives & Key Priorities

The Procurement Co-ordinator aims to ensure all procurement activities are carried out in the best interests of the college to support the college's Strategic Priorities and Objectives.

To achieve this, the college will ensure:

- we understand and respond to internal and external stakeholders' business needs and challenges and constantly changing market conditions;
- we will actively seek to use collaborative arrangements where they represent best value for the college;
- we will seek, establish and maintain supplier relationships to enhance the service we provide whilst obtaining best value for money and value-added services;
- we will seek to improve processes to facilitate a streamlined approach for procurement of goods, services and works across the college – See Appendix 1 Route to Market;
- we will take a lead role on strategic procurement initiatives;
- we will always remain open and act in a transparent and proportionate manner in all our procurement activities;
- we will embed sound ethical, social and environmental policies within the Institution's procurement function, respond to the global climate emergency and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty.;
- we will conduct all regulated procurements in line with the college's Procurement Policy and Procedures – See Appendix 2 Roles and Responsibilities.
- we will ensure contracted suppliers comply with GDPR legislation to mitigate risk to the college.

## Section 5 - Spend Report

The college's non-pay expenditure was approximately £4.05m in 2019-20, 68% (£2.76m) of this spend was influenceable by procurement. This comprised of 30% (£1.2m) above the Procurement Reform Act threshold and 5% (£187k) above the GPA threshold.

The college continues to increase its collaborative spend on framework agreements as well as delivery of local contracts.

At all times the college has an obligation to ensure that all income, regardless of source, is expended wisely in the best interest of the future direction of the college with operational evidence of having procured best value.

Best value procurement will:

- be transparent;
- be driven by desired results;
- create the most economically advantageous balance of quality, sustainability and cost;
- reduce the burden on administrative and monitoring resources;
- lead to simplified or routine transactions;
- encourage open and fair competition;
- follow all appropriate regulations and legislation.

## Section 6 – Implementation Plan

**STRATEGIC OBJECTIVE 1** - to promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.

Outcomes	Main Actions & Commitments	Key Performance Indicators
Support for Category A and B contracts where appropriate.	Embed procurement policy. Conduct expenditure analysis.	Assess % spend on Cat A, B and C on an annual basis  Increase contract compliance on an annual basis.
Aggregated purchases (time and volume) to tender at institutional level.	Identify key purchases and key suppliers through development of supplier and contract management processes.	Assess expenditure on an ongoing basis.

Procurement practice referenced to 'Procurement Journey' or CoE guidelines.	Review procurement processes and responsibilities for appropriateness.  Implement Customer and Supplier Surveys for key contracts and suppliers.	Procurement Strategy and Procedure updated on an annual basis.
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**STRATEGIC OBJECTIVE 2** - to facilitate the development of an effective and co-ordinated purchasing effort within the college.

<b>Outcomes</b>	<b>Main Actions &amp; Commitments</b>	<b>Key performance Indicators</b>
Co-ordinated purchasing activity with advice on process communicated internally and externally to present and potential suppliers on how to do business with the college directly or through APUC.	Develop intranet and internet communications pages to explain contracts availability, access and implementation (intranet) and ways of doing business with the college (procurement web page)	Supplier Survey implemented for key suppliers.
Maximise use of approved contracts and opportunities for collaboration.	Consider and exploit potential of collaborative contracting opportunities with neighbouring institutions or other publicly funded contracting authorities (LA, NHS, 'blue light' services).  Liaise with APUC account manager.	Contract Usage analysed and % increase on an annual basis.  Expenditure analysed. Areas of collaboration assessed with West Lothian Council. Targets and savings achieved.

**STRATEGIC OBJECTIVE 3** – to analyse the college's non-pay expenditure and apply appropriate procurement strategies to deliver value for money and reduce commercial risk.

<b>Outcomes</b>	<b>Main Actions &amp; Commitments</b>	<b>Key performance Indicators</b>
Improved, accurate and comprehensive management information.	Establish measurement and monitoring processes in respect of procurement function and process costs.	Procurement Performance on KPIs reported to Senior Management Team and the Board on an annual basis.
Manage Procurement Risk	Establish a Procurement Risk Register.	High risk areas identified in Procurement Risk Register with associated action plan.

**STRATEGIC OBJECTIVE 4** - to develop appropriate management information making use of appropriate ICT Tools in order to measure the performance and value for money (vfm) achieved by the college.

<b>Outcomes</b>	<b>Main Actions &amp; Commitments</b>	<b>Key Performance Indicators</b>
Regular review of benefits and outcomes agreed with Procurement Co-ordinator.	Develop benefits measurement appraisal to record efficiencies generated by procurement activity.	Improve vfm through demonstration of efficiencies.  Measure cash/non-cash benefits on an annual basis.
Improved management of suppliers by means of performance review with key suppliers.	Performance data collated on key suppliers using contract management data – this data regularly discussed with suppliers to manage areas for service improvement or opportunities for innovation.	Management information assessment reflects contract compliance and improvement.
Make best use of available resolutions tools.	Increase use of PCS-T	Increase number of tenders >£50k using PCS-T.

**STRATEGIC OBJECTIVE 5** - to provide leadership and policy guidance to ensure that corporate and social responsibilities are appropriately reflected in the college's procurement objectives and practices.

<b>Outcomes</b>	<b>Main Actions &amp; Commitments</b>	<b>Key Performance Indicators</b>
The college considers corporate and social responsibility issues throughout the procurement cycle.	As part of the annual expenditure analysis, identify any key commodities and/or projects that shall provide sustainable benefits to the college.	Demonstrate sustainable benefits/outcomes on an annual basis.

<p>Regular reviews made of the college's procurement strategy, initiatives and achievements.</p>	<p>Procurement Co-ordinator to ensure that the procurement process remains consistent with good practice and regulatory compliance.</p> <p>Develop and monitor a Procurement Improvement Plan linked to the Procurement and Commercial Improvement Plan and Strategic Objectives.</p>	<p>Procurement Co-ordinator to have fortnightly update meetings.</p> <p>Demonstration of achievements and outcomes from the Procurement Improvement Plan.</p>
<p>To embed sound ethical, social and environmental policies within the Institution's procurement function, respond to the global climate emergency and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty.</p>	<p>Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty including how the college shall take account of areas such as fair work, climate and circular economy in its procurement activity.</p> <p>Embed sustainable procurement duty processes in procurement strategies, tender docs &amp; evaluation criteria using available tools such as the Sustainability Test to identify priority areas proportionate to the requirement.</p>	<p>Number and value of relevant contracts as % of total regulated contracts</p> <p>Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total</p>

## Section 7 – Annual Report

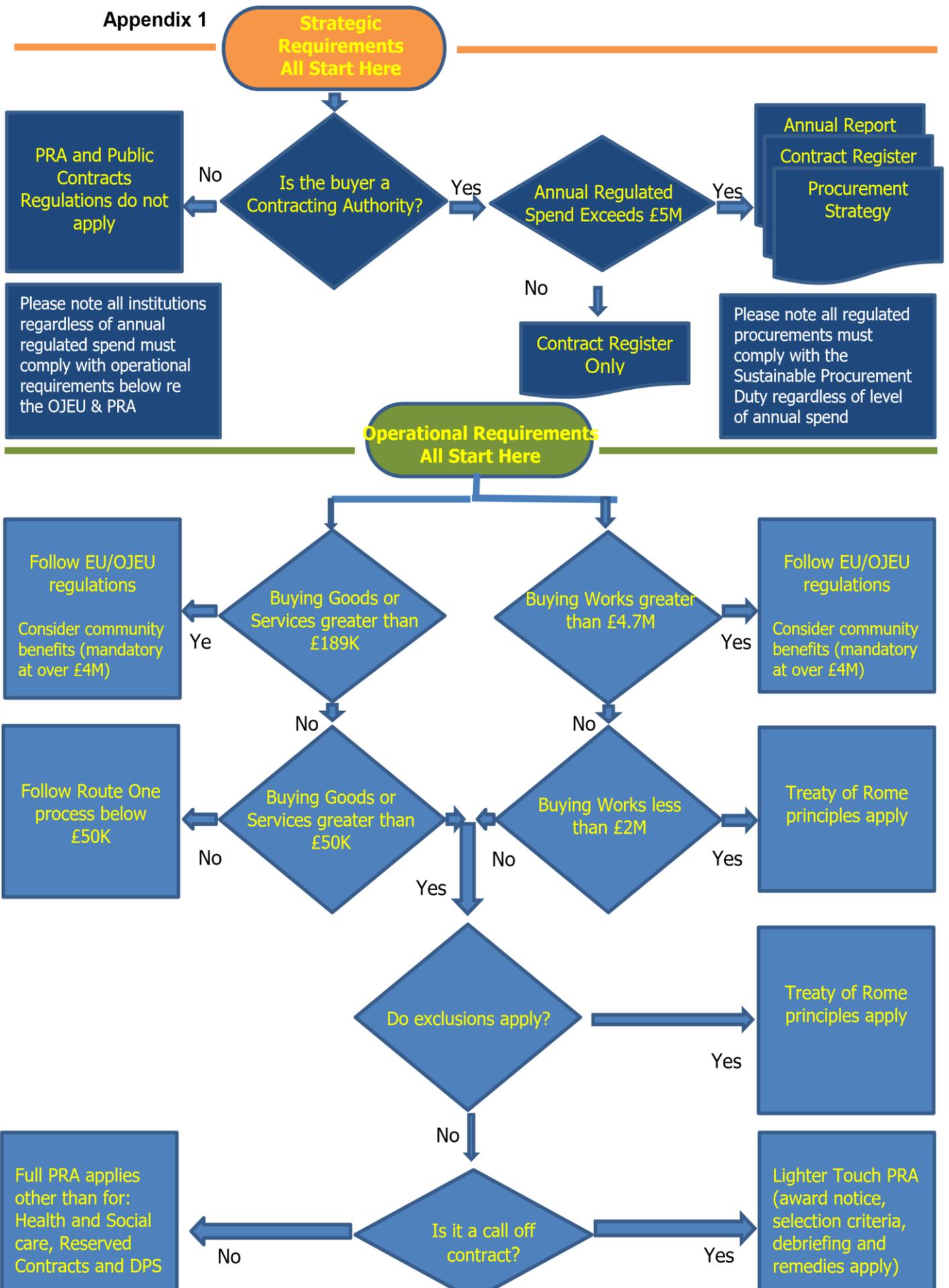
In accordance with the requirement of the Procurement Reform (Scotland) Act 2014, although the college is not obliged to, it will publish an Annual Procurement Report as soon as practicable after the college's financial year end. The report will describe how the college has discharged its obligations under the Act and how it has exercised discretion and judgement as permitted by the public procurement rules to secure strategic objectives in compliance with the Act.

This report will also provide a commentary on the progress of this Strategy and its Action Plan.

The college will seek to publish its Annual Procurement Report in an inclusive way that considers equality and accessibility issues and allows stakeholders to form a clear view of the college's performance.

## Section 8 - Appendices

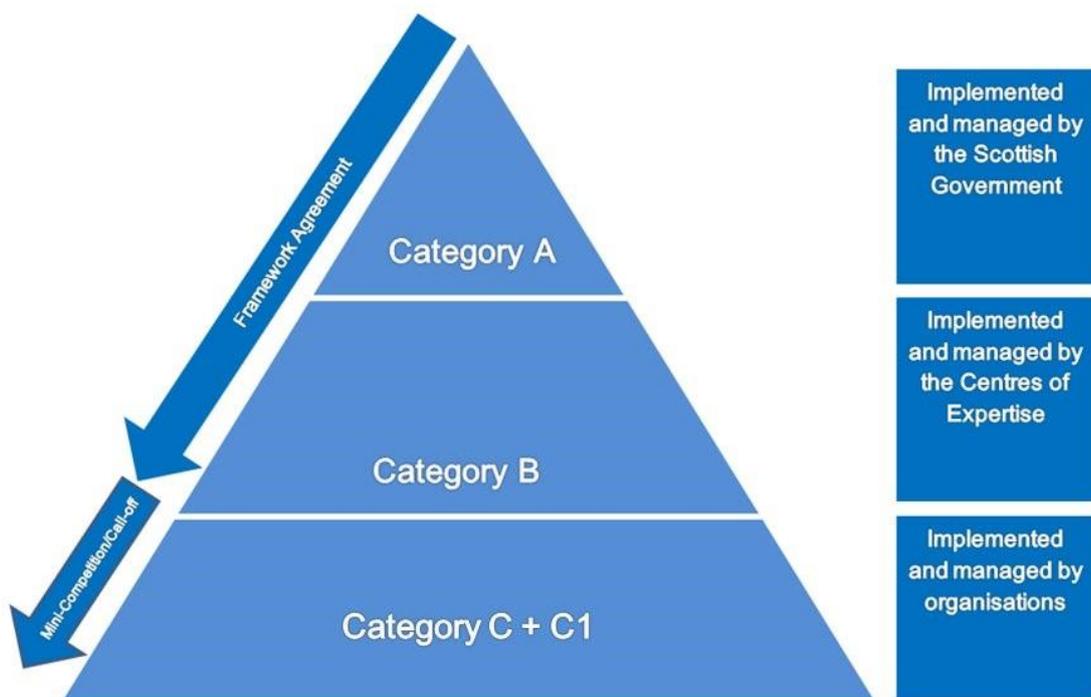
### Appendix 1



## Appendix 2

This represents the categorisation of Frameworks and locally awarded contracts

# Roles & Responsibilities



## Equality Impact Assessment



EIA covers **strategies, policies, procedures, plans, provisions, criteria, functions, practices and activities, including decisions and the delivery of services**, but will be referred to hereinafter as 'policy/practice'.

<b>Policy/Practice (name or brief description):</b>	<b>Procurement Strategy</b>
<b>Reason for Equality Impact Assessment (choose from the following options):</b>	
<ul style="list-style-type: none"> <li>• Proposed new policy/practice</li> <li>• Proposed change to an existing policy/practice</li> <li>• Undertaking a review of an existing policy/practice</li> <li>• Other (please give detail):</li> </ul>	Review of an existing strategy
<b>Person responsible for the policy area or practice:</b>	
Name:  Job title:	Jennifer McLaren  Vice Principal, Finance & Curriculum Services
<b>An Equality Impact Assessment must be carried out if the policy/practice:</b> <ul style="list-style-type: none"> <li>• affects <b>operational</b> or <b>strategic functions</b> of the college</li> <li>• is relevant to the promotion of equality (in terms of the Public Sector Equality Duty 'needs' as set out in the Policy and Guidance)</li> </ul>	
Why the EIA is being carried out	<b>The strategy directly affects the strategic functions of the college</b>

## Equality Groups

Relevant to the Policy/Practice, identify which of the undernoted equality groups are impacted upon:

- Age
- Disability
- race (including ethnicity and nationality)
- religion or belief
- sex
- sexual orientation
- gender reassignment
- pregnancy and maternity
- marriage or civil partnership

**None**

### Record your assessment against the following statements:

Statement	Equality assessment
Detail the evidence of the needs of the identified equality groups and any gaps in information	The strategy sets out a framework to ensure procurement regulations are complied with. There are no identified needs or missing gaps in relation to the equality groups.
Will application of this policy/practice lead to discrimination (direct or indirect), harassment, victimisation, less favourable treatment for particular equality groups?	No. The strategy is intended to promote equality, diversity and sustainability through procurement matters.
If yes, how will the policy/practice be changed to contribute to advancing equality of opportunity	N/A.
State how this policy/practice will foster good relations:	The strategy promotes equality, diversity and sustainability through procurement matters.
Will the policy/practice create any barriers for any other groups?	No

If yes, how will the policy/practice be changed to contribute to advancing equality of opportunity	No
Which equality groups or communities have been consulted in the development and review of this policy/practice?	The Senior Team was consulted during the review process.

<p><b>Equality Impact Assessment Outcome</b>  Select one of the four options below to indicate how the development/review of the policy/practice will be progressed and state the rationale for the decision. (Delete the options that do not apply):</p>	
<p><b>Option 1:</b> No change required – the assessment is that the policy/practice is/will be robust.</p> <p><b>Option 2:</b> Adjust the policy or practice – this involves taking steps to remove any barriers, to better advance equality and/or to foster good relations.</p> <p><b>Option 3:</b> Continue the policy or practice despite the potential for adverse impact, and which can be mitigated</p> <p><b>Option 4:</b> Stop the policy or practice as there are adverse effects cannot be prevented/mitigated against.</p>	<p><b>Option 1</b></p>
<p><b>Monitoring</b></p>	
<p>When will the policy/practice next be reviewed?</p>	<p><b>The strategy is reviewed annually</b></p>

<b>Publication of EIA</b>	
Can this EIA be published in full, now? Please state Yes or No  If No – please specify when it may be published or indicate restrictions that apply:	<b>Yes</b>
<b>Sign-off</b>	
Date processed through Equalities Committee	<b>5 February 2019</b>
Feedback from Equalities Committee	<p><b>The Committee is in agreement that the Strategy reflects college values, although the question was raised as to whether the values noted are current.</b></p> <p><b>The Committee agrees that the spirit of the Strategy presents no negative impact on groups with protected characteristics and appreciates the strategy is focused on ensuring college compliance.</b></p> <p><b>The Committee notes that the consultation process is very narrow and that major decisions made as a result of the strategy should have an EIA to ensure the spirit of the strategy is maintained.</b></p>
EIA undertaken by  Name: Date:  Name: Date:	<p><b>Jennifer McLaren</b> <b>21 November 2018</b></p> <p><b>J Stalker (Chair of Equalities Committee)</b> <b>5 February 2019</b></p>