



Procurement Strategy

To cover period **2016 - 2020**

Approved by **Finance and Property
Committee**

Date **29/11/16**

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Foreword by Principal Grant Ritchie

This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014¹ 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 Agreement².

The key elements of the new legislation:

- require us to publish a procurement strategy³*
- require us to maintain a public contracts register on our external website⁴*
- increase the scope of our regulated procurements⁵*
- require us to publish an annual procurement report⁶*
- require us to meet the sustainable procurement duty⁷*

This Strategy sets us challenging but realistic goals for the development of our procurement activities over the next 4 years which will be subject to regular and transparent review.

The successful implementation of this Strategy can only be achieved by all of us involved in the procurement of goods and services on behalf of the College working in partnership with our Procurement Department and collaboratively with our partners across the wider education and public sector.

Working together we can significantly contribute to the future sustainability of the College through the reinvestment of resulting savings and efficiencies from our procurement activities to enhance our students learning experiences and outcomes and meet our aspirations as set out in our College's, Mission, Vision, Values and Ambitions by 2020⁸.

¹ [Procurement Reform \(Scotland\) Act 2014](#)

² [Regional College Outcome Agreement](#)

³ [Procurement Strategy](#)

⁴ [Contracts Register](#)

⁵ [Regulated contracts](#)

⁶ [Annual Procurement Report](#)

⁷ [The sustainable procurement duty](#) is a new requirement of the Procurement Reform (Scotland) Act 2014

⁸ [College Mission, Vision, Values etc.](#)

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1 Formation and approval of our Procurement Strategy

The formation of this Strategy has been guided throughout by the College's Procurement and Resources Group and is the culmination of consultation and engagement with a wide range of staff involved in procurement as well as external stakeholders.

This Strategy has also been informed by the Scottish Procurement's statutory guidance⁹ under the Procurement Reform (Scotland) Act 2014 with the support of APUC¹⁰, the procurement centre of expertise for all of Scotland's colleges and universities.

The Strategy was approved by the College's Finance and Property Committee on the 29 of November 2016 and subsequently published on our external facing website.

The Procurement and Resources Group will, as a minimum, review this Strategy annually in compliance with the Procurement Reform (Scotland) Act 2014, thus maintaining the alignment of our procurement activity with our broader priorities and allow the College where necessary to revise the Strategy.

See Annex A at the end of this document for a concise summary of the application of the Procurement Reform Act and Public Contracts (Scotland) Regulations 2016 and the key strategic and operational requirements therein.

⁹ [Statutory Guidance under the Procurement Reform \(Scotland\) Act 2014](#)

¹⁰ [APUC \(Advanced Procurement for Universities and Colleges\)](#)

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2 Context

This Procurement Strategy provides the framework within which the procurement activities of the College can develop and help support our strategic objectives and outcomes. It can also be understood as a procurement improvements journey based on a clear understanding of where the College is currently, in terms of our procurement practice, and where we want and need to be and how we should get there.

As above, the College is now legally required to have and maintain a procurement strategy as part of the requirements of the Procurement Reform (Scotland) Act 2014, which provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice.

The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement processes detailed in section 6 below.

This Strategy recognises that our procurement practice is based on the Scottish Model of Procurement¹¹ which sees procurement as an integral part of policy development and service delivery and is essentially about achieving the best balance of cost, quality and sustainability.

A key element of this Strategy is about moving the balance of procurement effort away from the buying or tendering phase and towards a greater emphasis on the planning and post contract phases of procurement. Included in this is an increasingly greater engagement with our stakeholders both internal and external.

3 Procurement Mission

Our procurement mission is to support the College's wider vision¹² by enabling and supporting the College community in achieving value for money through continually improving our sustainable procurement practice.

¹¹ [The Scottish Model of Procurement](#)

¹² [College's Vision](#)

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4 Procurement Policy

Our Procurement Policy sets out the operational framework of how we conduct procurement and is largely based on the Scottish Government’s Procurement Journey¹³. This will facilitate our regulated procurements being conducted in accordance with best practice in a legally compliant manner that is consistent with the rest of the Scottish public sector in achieving value for money for our stakeholders.

Policy is essentially about maintaining the integrity of process and, combined with this, Strategy will set out the College’s strategic approach to procurement.

5 Strategic Procurement Objectives

Our strategic procurement objectives as defined below form the core of our Procurement Strategy. Each objective is mapped to the five strategic areas defined by the PPRB¹⁴ ; Sustainability, Access, Efficiency and collaboration, Savings and benefits and Capability which in turn have been aligned with SFC’s Strategic Aims¹⁵ as further detailed in the College’s Regional Outcome Agreement, namely:

- Ensuring an efficient regional structure
- Delivering high quality and efficient learning
- Providing access to people from the widest range of backgrounds
- Delivering the right learning in the right place
- Creating a developed workforce for the region and
- Creating a sustainable institution.

	Sustainability	Access	Efficiency and collaboration	Savings and benefits	Capability
Ensuring an efficient regional structure	✓		✓	✓	
Delivering high quality and efficient learning					✓
Providing access to people from widest range of backgrounds		✓			
Delivering the right learning in the right place		✓			✓
Creating a developed workforce for the region	✓				
Creating a sustainable institution	✓		✓	✓	

¹³ [Scottish Government’s Procurement Journey](#)

¹⁴ See “[Transforming Procurement, Accelerating Delivery](#)” pages 5 and 6 - Areas for Further Work: Phase Three “The Public Procurement Reform Agenda: 2014 – 17”

¹⁵ [Delivering College Outcome Agreements \(AY 2016-17\)](#)

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We will achieve the objectives of the PPRB by meeting the following strategic procurement objectives:

- 5.1 To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.
[Access; Efficiency and collaboration; Savings and benefits]
- 5.2 To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective and co-ordinated purchasing effort within the College.
[Access; Efficiency and collaboration; Savings and benefits]
- 5.3 To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.
[Savings and benefits; Efficiency and collaboration]
- 5.4 To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners, and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.
[Capability; Savings and benefits]
- 5.5 To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate planning conducted through a fair and transparent process.
[Efficiency and collaboration; Access]
- 5.6 To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish, UK and EU legislation in performance of the sustainable procurement duty.
[Sustainability; Capability]

These objectives are measured and supported in three ways; through the Procurement Action Plan, through our involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP)¹⁶ and through the publication of an Annual Procurement Report (section 7).

¹⁶ [PCIP](#) focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver and replaces the previous Procurement Capability Assessment regime.

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6 Ensuring compliance with general duties and specific measures of the Procurement Reform (Scotland) Act 2014

6.1 Introduction

As required by the Act, the College must comply with a small number of general duties and some specific measures which will be embedded in Procurement Policy or in our Action Plan. For clarity and to ensure full compliance with the Act these are stated below.

6.2 Contribute to the carrying out our function and the achievement of our purposes

The College will analyse its third party expenditure, identify ‘EU regulated procurements’ [Goods and Services currently worth more than £164,176 and Works worth more than £4,104,394 (OJEU Thresholds that apply to the College as an “other public sector contracting authority”)]¹⁷ and ‘lower value regulated procurements’ [Goods and Services worth more than £50,000 and Works worth more than £2 million (Procurement Reform Act 2014)]¹⁸.

In addition, the College will sort regulated procurements into procurement categories and give consideration to appropriate and effective consultation that aligns individual procurement strategies with the College’s own aims and objectives, and in turn their contribution to the National Outcomes as detailed in the College’s Regional Outcome Agreement.

Finally, the College will consider, where appropriate, the effective use of contract and supplier management to monitor and further improve the regulated procurement contract outcomes.

6.3 Deliver value for money

Value for money as defined by the Scottish Model of Procurement is not just about cost and quality, but about the best balance of cost, quality and sustainability.

The College through its Procurement Policy and practice will seek to consistently apply the above principle albeit the balance of cost, quality and sustainability will vary for a regulated procurement depending on the particular commodity, category and market.

The College will consider the use of whole-life costing of what is being procured, where appropriate, and when applying the above principle of value for money, ensure that it does so in a clear, transparent and proportionate manner; in line with the Treaty on the Functioning of the European Union of equal treatment, non-discrimination, transparency, proportionality and mutual recognition and in complying with the general duties¹⁹ of the Act as well as the sustainable procurement duty – see 6.6 below

¹⁷ EU Thresholds subject to review every two years – current thresholds valid until 31st December 2017

¹⁸ Scottish lower value regulated threshold subject to periodic review by the Scottish Government

¹⁹ [Section 8 Procurement Reform \(Scotland\) Act 2014](#)

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6.4 Treating relevant economic operators equally and without discrimination

The College will conduct all of its regulated procurements in compliance with the principles of the Treaty on the Functioning of the European Union²⁰ and will consider early engagement with the supply market where relevant prior to the publication of a contract notice.

All regulated procurements will be posted on free to access portals such as Public Contracts Scotland²¹ (PCS) and Public Contracts Scotland-Tender²² (PCS-T), and shall strive to ensure the appropriate use of separate lots with straightforward output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.

6.5 Acting in a transparent and proportionate manner

The College will ensure it engages widely with its local supply market on an ongoing basis and though the College's Procurement Policy will mandate the use of clear and precise language in its specifications and ensure contracts are awarded using appropriate quality, risk and sustainability factors as well as cost according to declared score weightings specific to each contract.

The College will actively take steps to make it easier for smaller and local businesses to bid for contracts through the use of Public Contracts Scotland and Quick Quotes, the provision of training and/or the provision of information on third party training opportunities²³ to build suppliers capacity to better navigate the public tender process and by publishing a contracts register to highlight contracts that local suppliers may be interested in bidding for.

6.6 The Sustainable Procurement Duty

In compliance with the Act the College will give consideration to the environmental, social and economic issues relating to all regulated procurements and how benefits can be accrued, on a contract-by-contract basis by taking proportionate actions to involve SME's, third sector bodies and supported businesses in our procurement activities, and in so doing benefit not only the College but the wider Tayside region.

To support compliance with this duty, the College will endeavour to make use available tools and systems²⁴ where relevant and proportionate to the scope of the procurement, such as the Scottish Public Procurement Prioritisation Tool, the Sustainability Test, Life Cycle Impact Mapping, the Scottish Flexible Framework as well as APUC's²⁵ Code of Conduct and Sustain.

²⁰ [Principles deriving from the treaty on the functioning of the European Union](#)

²¹ [Public Contracts Scotland](#)

²² [Public Contracts Scotland - Tender](#)

²³ [Supplier Development Programme](#)

²⁴ [Sustainable Procurement Processes \(section 3.4.1 Statutory Guidance](#)

²⁵ [APUC toolset for sustainability](#)

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6.7 Policy on the use of community benefits

The College will consider for each of its procurements over £4m²⁶ how it can improve the economic, social or environmental wellbeing of the Tayside region through the inclusion of community benefit clauses²⁷ aligned with the College's own strategic outcomes as well as a number of the Scottish Government's National Outcomes²⁸, specifically outcomes 2, 3, 4 and 7; namely (2) We realise our full economic potential with more and better employment opportunities for our people; (3) We are better educated, more skilled and more successful, renowned for our research and innovation, (4) Our young people are successful learners, confident individuals, effective contributors and responsible citizens and (7) We have tackled the significant inequalities in Scottish society.

Examples of the scope of community benefits clauses will include the delivery of training opportunities or subcontracting opportunities within Tayside relevant and proportionate to the particular procurement. The College will strive to engage with internal stakeholders including students where relevant as well as engage with the local and wider supplier community to ensure suppliers understand the use of community benefits and how to respond where they are included. Where possible and proportionate, such clauses may also be included in procurements below £4m.

6.8 Consulting and engaging with those affected by its procurements

The College will take note of available good practice/principles of engagement, including those detailed in the National Standards for Community Engagement²⁹, as well as ensuring procurement staff have, or will be developed to have, the relevant communication and engagement skills. The College will consider each procurement, the community affected by the resultant contract, and ensure any affected organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question. All of the above will be embedded in the College's procurement practice.

6.9 The living wage

The College recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. In compliance with the Act the College will consider, before undertaking a procurement, whether it is relevant and proportionate to include a question on fair work practices along with other relevant criteria, whilst ensuring the appropriate balance between quality and cost of the contract, paying regard to the statutory guidance³⁰ including the application of the Scottish living wage.³¹

²⁶ [Section 25\(1\) community benefit requirements in major contracts](#)

²⁷ [Community Benefit Clauses](#)

²⁸ [National Outcomes](#)

²⁹ [National Standards for Community Engagement](#)

³⁰ [Statutory Guidance on the Selection of Tenderers and Award of Contracts - Addressing Fair Work Practices, including the Living Wage, in Procurement](#)

³¹ [Scottish Living Wage](#)

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6.10 Promoting compliance with the Health and Safety at Work Act 1974

The College is committed to contracting only with suppliers that comply with all appropriate and relevant legislation, including Health and Safety legislation

Where appropriate, and on a contract by contract basis, the institution will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the College also seek to assess the compliance of subcontractors.

6.11 The procurement of fairly and ethically traded goods and services

The College supports the sourcing of goods that are fairly and ethically traded.

Where directly relevant, it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations as well as considering equivalent offerings from suppliers that can demonstrate they can meet the specified criteria without necessarily having the specific certification.

6.12 The provision of food and improving the health, wellbeing and education of communities in the College’s area, and the promotion of the highest standards of animal welfare

The College will find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents value for money whilst improving the health, wellbeing and education of our teaching and learning communities, coupled with promoting the highest standards of animal welfare.

The College will work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services and will use available good practice and guidance such as “Catering for Change – Buying food sustainably in the public sector”³²

6.13 Payment terms

The College recognises the importance of paying suppliers promptly once a service has been performed or goods delivered and that late payment is particularly detrimental to SMEs, third sector bodies and supported businesses. The College will comply with the Late Payment legislation³³ and will review on a contract by contract basis whether such obligations should be enforced and monitored further down its supply chain.

³² [Catering for Change – Buying food sustainably in the public sector](#)

³³ [The Late Payment of Commercial Debts \(Scotland\) Regulations 2015](#)

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7 Annual Procurement Report

7.1 Statutory Requirement

In accordance with the Procurement Reform (Scotland) Act 2014 the College will publish an Annual Procurement Report as soon as practicable after College's financial year end and will describe, as required by the Act, how it 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.

7.2 Contents of our Annual Procurement Report

The Annual Procurement Report in compliance with the Act will contain as a minimum the following:

- A summary of the regulated procurements that have been completed during the year covered by the Report
- A review of whether these procurements complied with this Strategy
- To the extent that any regulated procurements did not comply, a statement of how the College intends to ensure that future regulated procurements do comply
- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year of the Report including for example; apprenticeships completed, curriculum support activities, business support activities, support to communities and resource efficiencies achieved in terms of materials, waste or water.
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the Report
- A summary of the regulated procurements the College expects to commence in the next two financial years
- Such other information as the Scottish Ministers may by order specify, and where applicable demonstrate compliance with other legislation placing specific requirements on the College with respect to its procurement activities. The College will also consider including:
 - What it has learned from its consultation and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views
 - What it is doing to improve its performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since its last report; and
 - How it is working with other bodies – for example procurement centres of expertise – to maximise effectiveness and efficiency.

The College will seek to publish its annual procurement report in an inclusive way that takes into account equality and accessibility issues and allows stakeholders to form a clear view of the College's performance.

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ANNEX A

