



Procurement Strategy 2021-2024

Foreword

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

The key elements of the new legislation:

- *require us to publish a procurement strategy and action plan*
- *require us to maintain a public contracts register on our external website*
- *increase the scope of our regulated procurements*
- *require us to publish an annual procurement report*
- *require us to meet the sustainable procurement duty*

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

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

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 the College's student learning experience and meet our aspirations as set out in our College's Vision and Values by 2024.

North East Scotland College's vision is to be a College that transforms lives and supports regional development.

Our values are the foundation of all that we do and state what is really important to us. They apply to everyone who comes to the College to learn or work.

Commitment and Excellence

- *Understanding and responding to the needs of our students, staff, key stakeholders and customers*
- *Being business-like and professional*

- *Maintaining clear focus on our goals and ensuring these are achieved through effective planning and organization*
- *Achieving excellence by continually evaluating and improving our services*
- *Ensuring our processes are consistent, accessible, effective and efficient.*

Empowerment and Engagement

- *Creating an environment where innovation and creativity are encouraged and can flourish*
- *Providing clear direction, information and communication*
- *Providing development opportunities to ensure we have the skills, knowledge and confidence to perform to the best of our ability*
- *Giving recognition and praise*
- *Encouraging and supporting collaboration.*

Respect and Diversity

- *Valuing the experience and talent of all*
- *Treating others with dignity and respect*
- *Creating an accessible, inclusive learning and working environment*
- *Being fair, open and transparent to ensure a culture of mutual trust and integrity.*

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1 Formation and approval of our Procurement Strategy

The North East Scotland College Procurement Strategy, which is aligned with the College's corporate aims and objectives, established collaborative initiatives and necessary regulatory compliance, was approved by the College's Board of Management and published in November 2021. The approved strategy is the culmination of consultation and engagement with different stakeholder groups affected by the College's approach to procurement. This process was managed by the College's procurement team. By this consultation, the College's procurement strategy benefits from exposure to both internal and external scrutiny. This strengthens the understanding of the strategy and the prospect of achievement of its policies, aims and objectives.

A successful shared strategic focus is built upon an alignment of perceptions and understanding around what North East Scotland College needs from a well performing procurement process that is consistent with its strategic aims and objectives. This focus also needs to take proper cognisance of the environments within which North East Scotland College operates to ensure that external drivers and influences for improvement are addressed appropriately.

2 Context

The Procurement Strategy, used in conjunction with the College's Procurement Policy, sets out the College's strategic approach to procurement within the prevailing regulatory environment. The Action Plan element of the Strategy translates the strategic objectives and desired outcomes into the detailed actions and processes required to maintain a cost-effective (and legally compliant) College procurement operation. Its focus is all staff involved in buying goods and services on behalf of the North East Scotland College, including management staff responsible for authorising and monitoring transactions.

3 Procurement Mission

North East Scotland College is committed to obtaining value for money in all of its transactions, and in conducting its daily business staff must always consider the College's wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective procurement will support the key College objectives across these important operational dimensions as set out in our Vision and Values and Corporate Strategy.

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 Journey. 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.

The policy is essentially about maintaining the integrity of process and in combination with this Strategy it sets out the College's strategic approach to procurement.

5 Strategic Procurement Objectives

Our strategic procurement objectives form the core of our Procurement Strategy. Each objective is mapped to the five strategic areas defined by the PPRB¹ ; Sustainability, Access, Efficiency and collaboration, Savings and benefits and Capability which in turn have been aligned with SFC's Strategic Aims as further detailed in the College's Regional Outcome Agreement, namely:

- Accessible and diverse learning opportunities will enable people in the North East of Scotland of all ages, communities and backgrounds to learn, to succeed and to progress.
- More learners from disadvantaged backgrounds will be able to access learning and achieve nationally recognised awards.
- Successful outcomes for all learners will be improved, increasing the number of learners achieving positive destinations to employment or further study.
- A greater contribution will be made to regional economic growth and prosperity.
- Learners will be skilled, qualified and well prepared for the world of work.
- Effective governance arrangements will ensure continuous improvement in the quality of governance and will promote equality and diversity.
- The principles of sustainability will be embedded in the College's planning cycle with particular emphasis on ensuring financial sustainability and demonstrating best practice in estates planning and achieving environmental targets.
- A College culture in which innovation can flourish and economic growth is supported will be developed and embedded

¹ See "Transforming Procurement, Accelerating Delivery" pages 5 and 6 - Areas for Further Work: Phase Three "The Public Procurement Reform Agenda: 2014 – 17"

- 5.1 To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately 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 within this Strategy (section 8), through our involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP)² and through the publication of an Annual Procurement Report (section 7).

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

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 our Procurement Policy or in our Action Plan (section 8) but for clarity and to ensure full compliance with the Act are stated below:

PRA requirement	Excerpt from Statutory Guidance	College Strategy
Statement of the authority's general policy on the use of community benefit requirements	In setting out its policy, a contracting authority should ensure that it takes into account relevant legislation, statutory guidance and any other relevant guidance or best practice. The statement should, despite being general, outline what the policy is; when it is applicable; the aims and objectives of the contracting authority in its use of community benefits requirements; and how the authority will implement and monitor its policy.	For every procurement over £4m, the College will consider how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with its strategic objective 5.1. Such improvements could be implemented through mandated delivery of training opportunities or subcontracting opportunities within the College's geographical area. Monitoring of outputs of such measures will be assessed through contract management or standardised benefits reporting.
Statement of the authority's general policy on consulting and engaging with	A Contracting Authority must include in its policy statement, details of when and how it will consult and engage with those	For each procurement, the College will consider the community affected by the resultant contract and ensure

² 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.

those affected by its procurements.	affected by its procurements and how the outcomes of the consultation will be used to implement the overarching procurement policy of the contracting authority.	any affected organisations/persons are consulted (e.g., impact on service for students, or a local contract that could be combined with other similar institutions' needs). Such consultation will always be on a scale and approach relevant to the procurement in question.
Statement of the authority's general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements.	<p>In setting out its general policy, a contracting authority should state measures to promote the payment of the Living Wage in its procurements. In doing so, a contracting authority should consider:</p> <ul style="list-style-type: none"> • becoming a Living Wage Accredited Employer and promoting this through relevant public contracts. • in what types of goods, services and works contracts it may be relevant to address living wage and fair work practices. • how its living wage policy will be approached in regulated procurements in a way which takes account of other relevant factors, while ensuring an appropriate balance between quality and cost. • how it will ensure a proportionate approach, based on the nature, scope, size and place of the performance of the contract; and • how it can contribute towards improving the social wellbeing element, in particular reducing inequality in its area, of its sustainable procurement duty 	<p>The College recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. The College is a Real Living Wage Employer. Where relevant and proportionate, the College will consider the fair work practices of suppliers in its procurements, including application of the Real Living Wage.</p> <p>See the following link to Guidance on Selection of Tenderers and Award of Contracts - addressing Fair Work Practices, including the Living Wage, in Procurement.</p> <p>See also SPPN 3/2021 - Implementation of Fair Work First in Scottish Public Procurement</p>

	under section 9 of the Act by promoting the Living Wage and fair work practices.	
Statement of the authority's general policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act.	In setting out its statement, a contracting authority should consider how it will assess the potential health and safety risks arising from a particular contract and how it will monitor contracts to ensure compliance with health and safety requirements, including how an economic operator demonstrates compliance.	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 College will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the College may assess such compliance of subcontractors also.
Statement of the authority's general policy on the procurement of fairly and ethically traded goods and services.	When developing its policy, a contracting authority should consider the wider implications of its procurement activity and how, by including fair and ethical requirements, it can promote fairness, dignity, and the rights of workers and producers in international trading.	The College supports the sourcing of goods that are fairly and ethically traded. Where relevant it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations, will consider equivalent offerings from suppliers in its tenders and consider the use of lifecycle costing. The authority will also consider use of contract conditions that provide assurances on fair and ethical supply chains.
Statement of the authority's general policy on how it intends its approach to regulated procurements involving the provision of food to:	In setting out, and implementing, its general policy, there is broad scope for a contracting authority to approach this requirement in a manner relevant to its needs and purposes. For a contracting authority which does not procure food or catering it is necessary to	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,

<ul style="list-style-type: none"> • Improve the health, wellbeing and education of communities in the authority's area • Promote the highest standards of animal welfare. 	<p>include a statement in their organisational procurement strategy to that effect.</p> <p>In setting out its general policy statement, a contracting authority is required to consider how to promote the highest standards of animal welfare.</p>	<p>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.</p>
<p>The authority must set out how it intends to ensure that, so far as is reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented:</p> <ul style="list-style-type: none"> • Payments due by the authority to a contractor. • Payments due by a contractor to a sub-contractor. • Payments due by a sub-contractor to a sub-contractor. 	<p>A contracting authority is required by section 15(5)(d) of the Act to set out in its organisational procurement strategy how it intends to ensure that, so far as is reasonably practicable, payments to contractors and subcontractors are made within 30 days of a valid invoice, or similar claim, being received.</p>	<p>The College complies with the Late Payment legislation and will review on a contract-by-contract basis whether such obligations should be enforced and monitored further down its supply chain.</p>

<p>The authority must set out how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty</p>	<p>The sustainable procurement duty should be applied to all regulated procurements in a proportionate way.</p> <p>A contracting authority must set out how it intends to ensure that regulated procurements will be carried out in compliance with the sustainable procurement duty. It should develop a robust, achievable approach to sustainable procurement that is relevant and proportionate to its scope and area; with details on how it will be applied in the organisation.</p>	<p>The College will undertake regulated procurements in compliance with the sustainable procurement duty. The College will also seek to take account of climate and circular economy in its procurement activity. Consideration of environmental, social and economic issues and how benefits can be delivered through the procurement will be made, where appropriate and on a contract-by-contract basis. The College will utilise available tools and systems such as Prioritisation, Life Cycle Impact Mapping, Sustainability Test, Flexible Framework, APUC's Code of Conduct, Sustain and Electronics Watch where relevant and proportionate to the scope of the procurement.</p>
<p>The authority must set out how it intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose.</p>	<p>In setting out how they intend to ensure that their regulated procurements will contribute to the carrying out of its functions and achievement of its purposes, a contracting authorities should, for example, consider:</p> <ul style="list-style-type: none"> • effective and relevant consultation when developing and aligning their organisational procurement strategies with its functions, purposes and the National Outcomes. • effective contract and supplier management to monitor the effectiveness of regulated procurements. • high level commercial targets. • community and stakeholder consultation during procurement exercises; and • use of clear outcomes in contract notices. 	<p>The College will analyse third party expenditure, identify 'GPA/OJEU regulated procurements' [goods and services worth more than £189,330, works worth more than £4,733,252] and 'lower value regulated procurements' [goods and services worth more than £50,000, works worth more than £2 million].</p> <p>The College will sort regulated procurements into procurement categories. How these goods, services and works are bought - joint purchasing, use of local, regional and national framework agreements, consolidated contracting – will be subject to annual review and through user consultation, optimal category strategies agreed, sensible</p>

aggregation opportunities exploited, category and commodity strategies developed, recorded and the most appropriate procurement routes to market chosen.

The College will conduct all regulated procurements in compliance with principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

The College shall utilise portals including Public Contracts Scotland to publish its procurement opportunities and shall strive to ensure appropriate use of lotting, output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.

The College will ensure that it awards regulated procurements only to businesses [and sub-contractors] that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards and values in the conduct of their business.

In making regulated procurement contract awards, quality, risk and sustainability factors will be considered along with cost according to declared

		<p>score weightings on a contract-by-contract basis.</p> <p>The College will make appropriate use of collaborative contracting arrangements (e.g., national, sectoral or local framework agreements or contracts) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.</p> <p>The College will take steps to make it easier for smaller businesses to bid for contracts. Legislative constraints preclude preferences for only local suppliers, but the local dimension can be addressed through the structure of tenders, the use of Public Contracts Scotland, training and information to build capacity. This will include publishing contracts register to highlight contracts for which local organisations may be interested in bidding.</p>
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7 Annual Procurement Report

7.1 The College will produce a report on progress against these objectives annually and publish this on the institutional website. This report, produced as soon as practicable after the end of the financial year (by calendar year end at the latest), will describe how the Institution 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.

7.2 The Annual Report will include commentary on the subject matters covered by the 12 statements as set out in the table adjoining 6.1 above. That narrative will be supplemented by the data required by the Annual Procurement Report template and a summary of the regulated procurements that the authority expects to commence in the next two financial years.

8 Procurement Action Plan

8.1 The Action Plan consists of a number of specific actions and commitments in relation to each of the strategic objectives and their desired outcomes. These are also cross referenced to the relevant section of the Procurement and Commercial Improvement Programme (PCIP). Progress against the Action Plan (see section 8.2 below) will be regularly monitored and reviewed by the College's Procurement Team.

8.2 Action Plan

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med	RAG
To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.	Optimised use of Cat A, B and C1 collaborative contracts and extension of early procurement contributions of value to all areas of influenceable expenditure.	Scrutinise annual expenditure analysis to improve its utility. Identify collaborative regulated procurements and categorise Establish contracts register [see Note* in Annex B below].	Numbers and values for A B and C1 business as % of totals Number and value of contracts covered by register	Ongoing	HoP	HIGH	Dashboard Qu 1.2 Qu 2.1 Qu 2.2 Qu 3.3	A
	Established network with APUC, other sector consortia, sector representative bodies for collaborative and professional development	Benchmarking of good practice standards and procurement performance standards	Use of BPIs	Ongoing with periodic progress reports	HoP	MEDIUM	Qu 1.10	G
	Extension of best practice methods and ethical values to all phases of the procurement process.	Processes mapped to the Procurement Journey using internal and external training resources	Details of training delivered, and numbers involved	Annual	HoP	MEDIUM	Qu 1.5	A
	Development of a shared, integrated	Develop forward contracting plan and strategies and relate these to sectoral,	Number and value of contracts covered by contracting strategies	Annual Contracting Priorities	HoP	MEDIUM	Qu 1.3 Qu 2.1	G

	procurement strategy development process	regional and national contracting plans	expressed as % of totals					
	Effective supplier management, development and performance measurement processes	Apply Kraljic segmentation analysis to the supplier base and develop supplier relationship management processes accordingly	Number of suppliers and value of business subject to segmentation analysis	Annual	HoP	MEDIUM	Qu 3.1	A
	Development of understanding of supplier capability and strategy	Conduct regular market analysis Put implementation plans and exit strategies in place as appropriate	Profile by number and value the business done locally regionally and nationally. Use of invoice post code analysis	Annual	HoP	MEDIUM	Qu 2.4	G

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med	RAG
To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the Institution.	Establishment of an internal buyers' network and optimised cross-functional collaboration to secure benefits of aggregation of demand and future contract planning	Establish/ develop a strong devolved internal 'Lead Buyers' network. Develop a procurement action plan.	Number of 'Lead Buyers' Total £ value of Procurement expenditure	Ongoing with annual reporting	HoP	HIGH	Qu 1.2 Qu 1.9	R
	Procurement information routinely communicated to people who need to know	Co-ordinate procurement initiatives and disseminate procurement information from external sources e.g., APUC contract and advisory information. Optimise use of intranet (or \equiv) to communicate.	Record of number, frequency and forms of communications	Quarterly review Annual Report	HoP	MEDIUM	Qu 1.9 Qu 1.10	A
	Procurement training and/or guidance systematically applied to points of need	Ensure all staff involved in procurement process can receive appropriate training	Record of staff attending individual training events, also to include counter fraud and conflict of interest issues	Ongoing linked to changes and turnover	HoP + HR	LOW	Qu 1.5 Qu1.8	G

	Implementation of efficient procurement processes e.g., tendering, requisitions, approvals, order and invoicing processes.	Review processes and optimise use of e-tools Including PCS for all regulated procurements	Record number and types of e-transactions quarterly/annually and as % of total transaction type and total value of transaction type e.g., bids* orders, invoices and monitor over time	Monthly, Quarterly, Annual reports	HoP + Lead Buyers Group + Finance	MEDIUM	Qu 4.1 Qu 4.3	A
		Robust internal control systems for procurement processes and systems	Clean audit report	Periodic	Internal Audit	MEDIUM	Qu 1.6	
	Suppliers and potential suppliers provided with guidelines and advice on doing business with the Institution and with APUC	Clear communication on procurement issues and links on website.	Outputs of stakeholder and supplier satisfaction surveys	Ongoing – Quarterly & Annual	HoP + ICT	HIGH	Qu 3.1 Qu 3.2	A
	Strengthened senior management appreciation of role purpose and value contribution of procurement	Provision of SMT periodic reports plus annual report	Trend reporting in SMT reports	Quarterly + Annual	HoP + FD	HIGH	Qu 1.1	
	Wide stakeholder buy-in	Review comm's plan and comm's methodology	Stakeholder engagement record	Annual & Ongoing	HoP	MEDIUM	Qu 3.4	A

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med	RAG
To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.	Clear specifications and procurement strategies agreed with stakeholders	Review organisational expenditure data to identify contracts in place, contracts with stakeholder agreed strategies, regulated procurements	Total expenditure on projects, goods and service and % of total expenditure influenced by procurement	Annual & Ongoing	HoP + Lead Buyers + Acc. Manager	HIGH	Dashboard Qu 2.1 Qu 2.3	R
	Regular review of the need for and performance of contracts prior to developing replacement procurement strategies	Training of organisational staff on best procurement practice including appropriate approaches to regulated procurements in use of specifications, selection and award criteria. Establish a plan to develop commercial acumen.	%'s of total expenditure covered by Cat A, Cat B, Cat C1 and Cat C contracts % expenditures by Cat % of total value covered by contracts in the last FY	Training provided according to needs assessment			Qu 1.9	
	Category contract strategies that detail the organisational approach to regulated procurements	Expenditure data sorted into categories	% of total expenditure covered by a contracts register [see Note* above]	Annual & Ongoing	HoP + Lead Buyers + Acc. Manager	MEDIUM	Dashboard	A
	Minimisation of duplication of procurement activity within the Institution and between the Institution and partners e.g., CoE	Review expenditure on goods and services covered by duplicate contracts and remove duplicated effort where feasible and beneficial	% by value and number of contracts that are GPA/EU regulated procurements % by value and number of contracts that are 'lower value regulated procurements' (i.e., goods and services > £50k and works > £2m)	Annual & Ongoing	HoP + Lead Buyers + Acc. Manager	MEDIUM	Dashboard	A
	Management and measurement of performance of contracts in line with	Develop commodity strategies in line with Procurement Journey		Annual & Ongoing	HoP + Lead Buyers + Acc. Manager	HIGH	Dashboard Qu 2.2	R

	stakeholder and supplier agreements over the lifetime of the contracts	Contract and supplier management processes applied to all significant provision and associated suppliers securing service improvement and/or opportunities for innovation	% savings, cost avoidance or other efficiencies i.e., cash and non-cash savings Totals of maverick and compliant exp in last FY				Qu 2.3 Qu 3.3 Qu 2.5 Qu 3.1 Qu 3.2	R
	Periodic and annual savings and benefits reports to SMT and stakeholders	Recorded savings and benefits calculated according to agreed sector and national criteria Reports to Management & stakeholders	Procurement cost as % of total trade expenditure	Annual & Ongoing	HoP + Lead Buyers + Acc. Manager	HIGH	Dashboard Qu 3.4 Qu 1.10	

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med	RAG
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	A high calibre procurement team with competency-based training and skills development programmes. Structured recruitment, career development and retention programmes	Conduct high level analysis of procurement competencies and skills profiles required at different levels of procurement engagement and conduct gap analysis	Number of people in the procurement team Number of procurement officers with MCIPS or MSc per £m of influenceable expenditure	Ongoing	HoP	MEDIUM	Dashboard Qu 1.4	G
	Devolved procurement competencies assessed across the Institution Procurement induction programmes for all new appointees	Address shortfall by encouraging involvement with or attendance at training and development courses and events with results monitored and recorded.	Number of authorised or delegated purchasing staff outside Procurement per £m of influenceable expenditure Number of procurement officers to have undertaken formal training & development in the past year	Ongoing Annual	HoP, FD, HR, Budget holders, APUC	MEDIUM	Dashboard Qu 1.5	G
	Managed supplier relationships to simplify doing business with the organisation while driving risk down,	Construct customer positioning and supplier relationship matrices to determine appropriate tactical and strategic approaches to supply markets	%'s of 'significant' suppliers falling into rethink strategic control leverage	Immediate then periodic reviews	HoP + Budget holders	HIGH	Qu 3.1	R

	performance and value up		positioning categories					
	Supplier/customer positioning, development and leveraging to assure optimum value delivery while managing supply side risks and opportunities.	Obtain regular customer input/feedback Obtain regular supplier input /feedback	Survey trend analysis Include in annual reports	Periodic [but important to avoid the process becoming burdensome]	HoP	MEDIUM	Qu 1.10 Qu 3.5	A
	A robust procurement risk register	Develop weighted impact-and-probability procurement risk assessment methodology	Data drawn from risk criticality rating matrix	Immediate with regular reviews	HoP + SMT	HIGH	Qu 1.7	R
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 fair and transparent process	Robust systems analysis and development with optimal exploitation of “e” procurement tools in place	Produce [or review if already produced] a procurement ICT strategy	Benefits reports on - • time saved • faster order-to-delivery • Purchasers directed to approved suppliers, improving compliance and reducing time sourcing items. • price leverage. • reduced costs of stationery, postage, copying and associated admin.	Immediate then periodic review	HoP, FD, ICT	HIGH	Qu 4.3	A

			<ul style="list-style-type: none"> • high quality, detailed management information. 					
	Use of benefits measurement to record efficiencies generated by procurement activity.	Adopt efficiency measurement model or \equiv	Measures of <ul style="list-style-type: none"> • Price reduction. • Added value. • Risk reduction. • Process re-engineering. • Sustainability. 	Annual	HoP + APUC	HIGH	Qu 3.5	A
	Annual customer satisfaction questionnaire	Established a procurement network to gather and disseminate information	Periodic surveys analysed to show satisfaction trend analysis	Periodic [but important to avoid the process becoming burdensome]	HoP	MEDIUM	Qu 1.10	A
	Annual report records achievement against strategic objectives.	Prepare periodic reports that address both management needs, and the requirements of the PR(S)A. Prepare annual report on performance against procurement strategy.	Benchmark report content and scope with peer organisations	Annual – as soon as practicable after each FY	HoP	HIGH	Qu 1.3	R
	Improved management of suppliers by means of performance review with key suppliers.	Gather data on supplier performance. Compare supplier performance using data from internal audits and benchmarking information from other organisations of a similar size	Cost reduction and service improvements reports	Quarterly and Annual	HoP	MEDIUM	Qu 3.1 Qu 3.2	A

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med	RAG
To embed sound ethical, social and environmental policies within the Institution's procurement function and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty	Appropriate use of tools to embed relevant and proportionate requirements into contracts, encourage good practice and analyse opportunities to maximise social, economic and environmental outcomes through procurement action	Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty Apply the prioritisation methodology, Flexible Framework, SUSTAIN etc. to develop action plans, contracting strategies and to focus resources	Number and value of relevant contracts as % of total regulated contracts Achievement of Level 3 FF	Annual Reporting End 2016	HoP + Budget holders HoP + APUC	HIGH	Qu 1.3 Qu 2.3 Qu 2.6	R
						MEDIUM	Qu 1.4	A
	Consideration of whole life costs, environmental and social impacts in assessment of value for money	Embed sustainable procurement duty processes in commodity and category strategies, tender docs & evaluation criteria	Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total	Immediate appraisal then annual reporting	HoP + Acc. Manager	HIGH	Qu 2.5 Qu 2.6	A
	Reduced demand for goods and services by cutting down on waste, and encouraging re-use and re-cycling and use of the least environmentally	Develop internal training and guidance	Maintain a waste hierarchy record – • waste prevention, • reused, • recycled,	End 2016	HoP	MEDIUM	Qu 1.5	G

	damaging goods and services		<ul style="list-style-type: none"> • recovered including energy recovery, • safe disposal. 					
	Suppliers led to: <ul style="list-style-type: none"> • promote awareness of sustainability objectives • adopt sustainable approaches in production of goods/services within their own supply chains • improve their performance in relation to sustainability objectives • address barriers to entry of SMEs and local suppliers 	Organise supplier engagement and supplier 'conditioning' sessions to advise on organisational objectives under the sustainable procurement duty	Number of suppliers engaged. Improved outcomes recorded and reported Forward targets and strategies in place	Ongoing	HoP + SMT + APUC	MEDIUM	Qu 3.1	A
	Take account of climate and circular economy in procurement activity and seek to address.	Embed sustainable procurement into processes - commodity and category strategies, tender docs & evaluation criteria	Carbon reduction targets, measurement and reporting		HoP + Acc. Manager	H	Qu 2.5 Qu 2.6	A

Annex A

Annual Procurement Report template (extract taken from SPPN 4/2019)

[NOTE: reference to contract is also to be construed as meaning a Framework Agreement]

1. Organisation and report details

- a) Contracting Authority Name
- b) Period of the annual procurement report
- c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

«Name»

«Period of report»

«Yes / No»

2. Summary of Regulated Procurements Completed

- a) Total number of regulated contracts awarded within the report period
- b) Total value of regulated contracts awarded within the report period
- c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period
 - i) how many of these unique suppliers are SMEs
 - ii) how many of these unique suppliers how many are Third sector bodies

«Number»

«Value (£)»

«Number»

«Number»

«Number»

3. Review of Regulated Procurements Compliance

- a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy
- b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

«Number»

«Number»

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

- a) Total number of regulated contracts awarded with a value of £4 million or greater.
- b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.
- c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements

«Number»

«Number»

«Number»

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

- d) Number of Jobs Filled by Priority Groups *(Each contracting authority sets its own priority groups)*
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

«Number»
«Number»
«Number»
«Number»
«Value (£)»
«Value (£)»
«Value (£)»
«Number/Value»

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.
- b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.
- d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.

«Number»
«Number»
«Number»
«Number»

6. Payment performance

- a) Number of valid invoices received during the reporting period.
- b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)
- c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.

«Number»
«Percentage»
«Number»

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	«Number»
<u>7. Supported Businesses Summary</u>	
a) Total number of regulated contracts awarded to supported businesses during the period	«Number»
b) Total spend with supported businesses during the period covered by the report, including:	«Value (£)»
i) spend within the reporting year on regulated contracts	«Value (£)»
ii) spend within the reporting year on non-regulated contracts	«Value (£)»
<u>8. Spend and Savings Summary</u>	
a) Total procurement spend for the period covered by the annual procurement report.	«Value (£)»
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	«Value (£)»
c) Total procurement spend with Third sector bodies during the period covered by the report.	«Value (£)»
d) Percentage of total procurement spend through collaborative contracts.	«Percentage»
e) Total targeted cash savings for the period covered by the annual procurement report	«Total Value (£)»
i) targeted cash savings for Cat A contracts	«Value (£)»
ii) targeted cash savings for Cat B contracts	«Value (£)»
iii) targeted cash savings for Cat C contracts	«Value (£)»
f) Total delivered cash savings for the period covered by the annual procurement report	«Total Value (£)»
i) delivered cash savings for Cat A contracts	«Value (£)»
ii) delivered cash savings for Cat B contracts	«Value (£)»
iii) delivered cash savings for Cat C contracts	«Value (£)»
g) Total non-cash savings value for the period covered by the annual procurement report	«Total Value (£)»
<u>9. Future regulated procurements</u>	
a) Total number of regulated procurements expected to commence in the next two financial years	«Number»
b) Total estimated value of regulated procurements expected to commence in the next two financial years	«Value (£)»

NOTES

- Reference to contract is also to be construed as also meaning a Framework Agreement.
- Please provide exact figures wherever possible, rather than estimations.
- A 'regulated contract' is a one that is within scope of the Procurement Reform (Scotland) Act 2014.

1. Organisation and report details

- a) Enter the name of the contracting authority to which the report refers.
- b) Enter the actual period of the report (*e.g., 1 April '18 to 31 March '19 or 1 August '18 to 31 July '19.*)
- c) Has the report been prepared because there is a requirement to do so under Section 18 of the 2014 Act?

2. Summary of regulated procurements completed

- a) This is the total number of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- b) This is the total estimated value (exc. VAT) of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- c) This is the total number of unique suppliers that were awarded a place on a regulated contract which was awarded during the reporting period (where a supplier has been awarded more than one framework or contract only one instance should be recorded).
 - i) Number of unique SME suppliers that were awarded a place on a contract awarded during the reporting period (*SME means an enterprise which employs less than 250 staff*).
 - ii) Number of unique Third Sector suppliers that were awarded a place on a contract awarded during the reporting period.

3. Review of regulated procurements compliance

- a) Total number of regulated contracts awarded within the reporting period that complied with the commitments and policies set out in your corporate procurement strategy.
- b) Total number of regulated contracts awarded within the reporting period that did not comply with commitments and policies set out in the corporate procurement strategy.

4. Community benefit requirements summary

- a) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater.
- b) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater that contain Community Benefit requirements.
- c) Total number of regulated contracts with a value of less than £4 million that contain that contain Community Benefit requirements.
- d) Total number of jobs filled by individuals within a priority group during the period of the report.
- e) Total number of apprenticeships filled by priority groups during the period of the report.
- f) Total number of work placements delivered for priority groups during the period of the report.
- g) Number of qualifications achieved during the period of the report through training by priority groups.
- h) Total value of contracts subcontracted to SMEs during the period of the report
- i) Total value of contracts subcontracted to Social Enterprises during the period of the report.
- j) Total value of contracts subcontracted to Supported Businesses during the period of the report.
- k) Other community benefits that were fulfilled during the period of the report that do not fall into one of the preceding categories.

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the reporting period where it was relevant to include a scored Fair Work criterion.
- b) Total number of unique suppliers that have committed to pay the real Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; this number will include suppliers who are awarded onto a framework agreement and will also reflect those suppliers who are accredited as Living Wage employers.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period of the report.
- d) Number of unique suppliers signed up to the Scottish Business Pledge and were awarded a regulated contract during the period of the report.

6. Payment performance

- a) Total number of valid invoices received during the period of the report.

- b) The percentage of valid invoices received during the period of the report that were paid on time (*i.e., within the time period set out in the contract terms*).
- c) Total number of regulated contracts awarded during the period of the report that contained a contract term requiring the prompt payment of invoices in the supply chains of that contract.
- d) Total number of concerns raised by sub-contractors delays in the payment of invoices.

7. Supported businesses summary

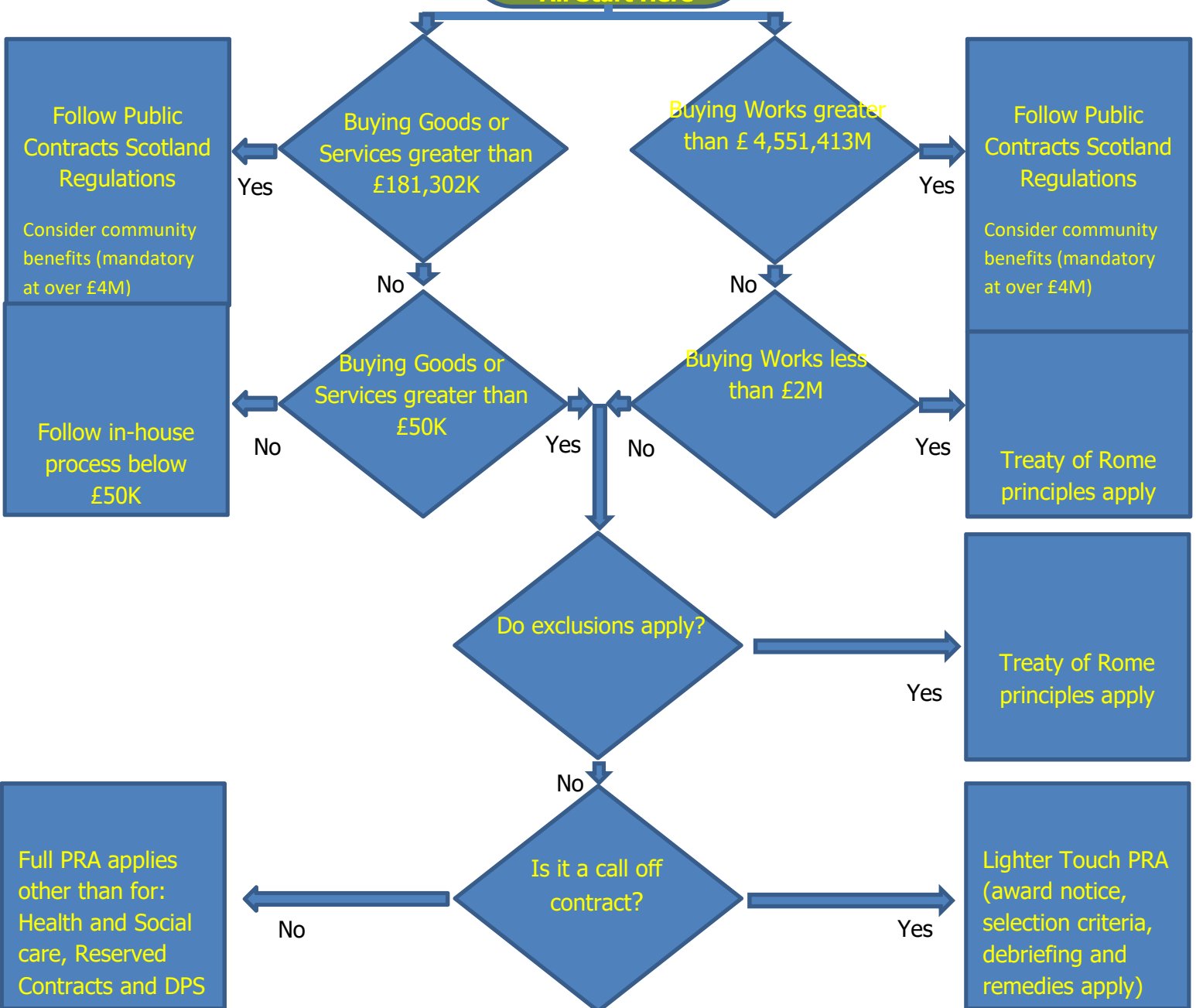
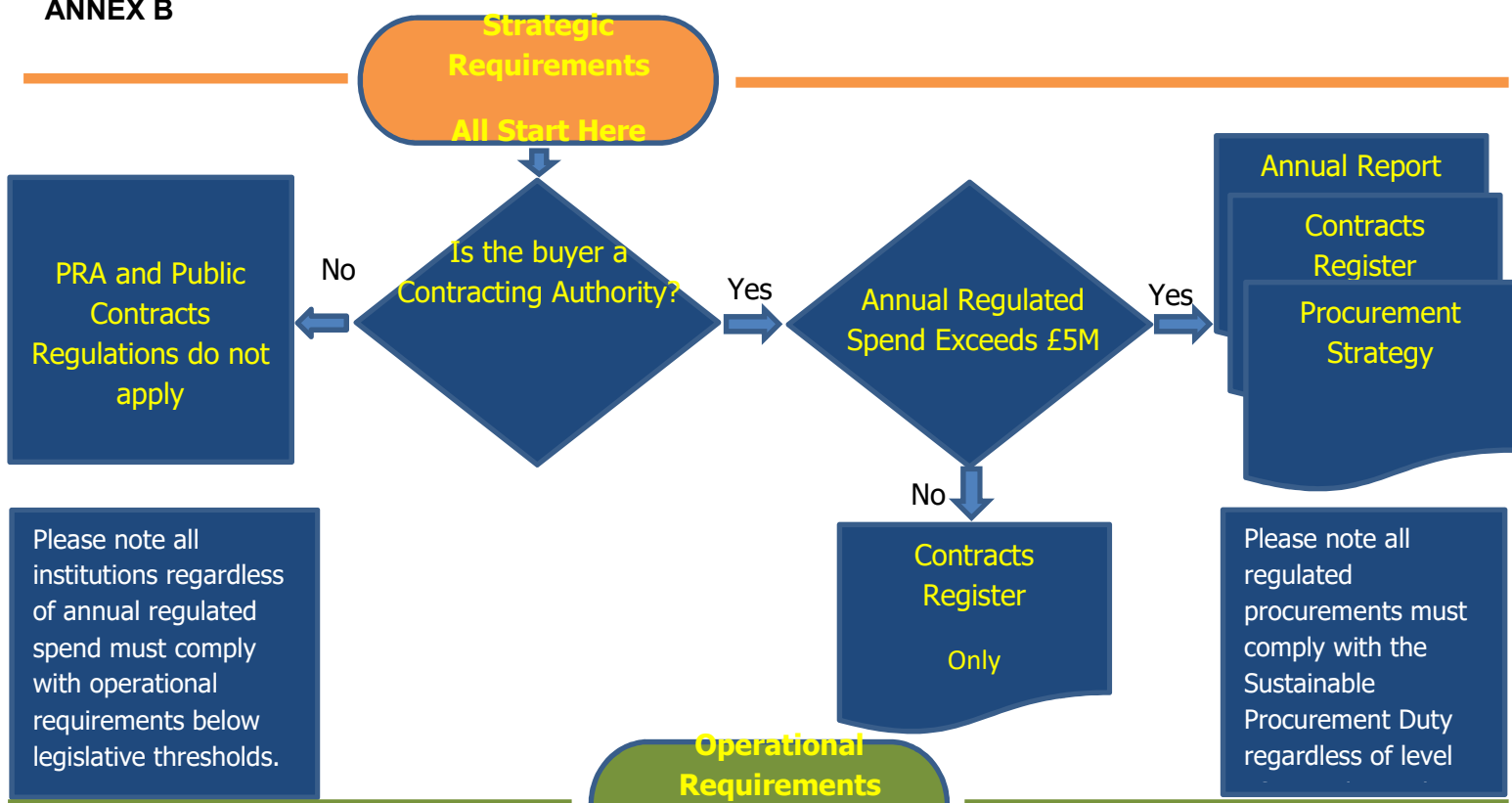
- a) Total number of all regulated contracts that were awarded to supported businesses during the reporting period (*this includes contracts reserved for supported businesses*)
- b) Total amount of spend with supported businesses during the reporting period (*through regulated and non-regulated contracts*).
 - i) Total spend with supported businesses during the reporting period through regulated contracts (*including spend within the period on contracts placed before the period*).
 - ii) Total spend with supported businesses during the reporting period through non-regulated contracts (*including spend within the period on contracts placed before the period*).

8. Spend and savings summary

- a) Total amount of procurement spend during the reporting period.
- b) Total amount of procurement spend with SMEs during the reporting period.
- c) Total amount of procurement spend with Third Sector bodies during the reporting period.
- d) Percentage of total procurement spend during the reporting period that is through collaborative contracts.
- e) Total amount of cash savings that was targeted / forecast for the period of the report.
 - i) Total amount of cash savings that was forecast for the period of the report through Cat A (National) contracts.
 - ii) Total amount of cash savings that was forecast for the period of the report through Cat B (Sectoral) contracts.
 - iii) Total amount of cash savings that was forecast for the period of the report through Cat C contracts.
- f) Total amount of cash savings delivered for the period of the report.
 - i) Total amount of cash savings delivered during the period of the report through Cat A (National) contracts.
 - ii) Total amount of cash savings delivered during the period of the report through Cat B (Sectoral) contracts.
 - iii) Total amount of cash savings delivered during the period of the report through Cat C contracts.

9. Future regulated procurements

- a) Total number of all regulated contracts that are expected to commence in the next two financial years.
- b) Total estimated value of all regulated contracts that are expected to commence in the next two financial years.



Annex C

Dashboard Measures (Required in all Full, Medium and Lite PCIPs):

Total Procurement Relevant Spend in the Last Financial Year
Total Procurement Influenced Spend in the Last Financial Year
Upheld Procurement Legal Challenges in the Last Financial Year
Value of Contracts / Frameworks in the Contracts Register* see note below
Percentage of current Cat C Contracts / Frameworks in Place Covered by a Strategy
Total through a Collaborative Contract in the Last Financial Year
Total Relevant Spend through a CAT C Contract in the Last Financial Year
Total Forecasted Cash Savings For the Last Financial Year
Cat C - Forecasted Cash Savings in the Last Financial Year
Total Cat A & B Cash Savings Secured in the Last Financial Year
Total Cat A & B Cash Savings Delivered in the Last Financial Year
Total CAT C Cash Savings Secured For the Last Financial Year
Total CAT C Cash Savings Delivered For the Last Financial Year
Non-cash Savings Value For the Last Financial Year
Compliant Spend to Contract / Framework For the Last Financial Year
Maverick Spend For the Last Financial Year
Total No. of Live trade suppliers
Total Spend to SME Suppliers in the Last Financial Year
No. of SME suppliers used in the Last Financial Year
Total No. of Purchase Orders (POs) in the Last Financial Year
Total No. of eProcurement POs in the Last Financial Year
Total No. of Invoices in the Last Financial Year
Total No. of eInvoices in the Last Financial Year
Payment Performance in the Last Financial Year
No. of FTE People in the Procurement Team
No. of Procurement Officers within the Procurement Team Qualified, or Working Towards MCIPS or an Equivalent Qualification that includes Procurement

No. of Procurement Officers in Procurement Legislation Training Within last 12 months of when Legislation / Remedies have Occurred.
No. of Authorised or Delegated Purchasing Staff outside Procurement
No. of Modern Apprentices