Procurement Strategy

Date of next review: May 2023
Responsibility: Head of Finance
Approved by: Finance and General Purposes Committee

Please ask if you, or someone you know, would like this document in a different format.
1. Vision, Mission and Values

The College mission, delivered through its Strategic Plan is the College’s Strategic Vision is “From the local to the global, to deliver excellent learning and teaching, research and enterprise”.

The Lews Castle College UHI Values are:

- Provide Leadership - We will strengthen our existing partnerships and inspire those we collaborate with, by example, to achieve our shared vision.

- Embrace Fairness - We will give a high value to inclusiveness, and will treat individuals with respect and assist them in the pursuit of their personal objectives.

- Pursue Excellence - We will seek to help students and staff develop the essential skills to achieve their academic and personal best.

- Be Accountable - We will fulfil our obligations and responsibilities to all interested parties in the pursuit of a sustainable strategy for educational excellence.

The College has adopted the University of the Highlands and Islands core values Collaboration, Openness, Respect and Excellence.
2. Introduction

This strategy defines a number of key objectives to encourage, monitor and deliver the most effective procurement processes in alignment with the College’s Strategic Plan while recognising where the College is currently in terms of our current procurement practice.

This strategy also aligns closely with the UHI Strategic Plan and the Scottish Funding Council’s key strategic outcomes as detailed in the Highlands and Islands Regional Outcome Agreement.

This strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014 and other relevant legislation and progresses the Scottish Government’s overarching strategic outcomes as outlined by Public Procurement in Scotland (PPS).

These strategic outcomes include accelerating the pace of change and the delivery of benefits and embedding public policy strategic aims into our core business. Best value procurement will:

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

The successful implementation of this strategy requires staff involved in the procurement of goods and services to work in partnership with the UHI Shared Service Procurement Team and collaboratively with partners across the wider education and public sector. By working in partnership the implementation of this strategy will significantly contribute to the future sustainability of the College and enhance our students’ learning experience through the reinvestment of resulting savings and efficiencies from our procurement activities.
3. **Context**

This strategy recognises that our procurement practice is based on the Scottish Model of Procurement 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 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. Whilst taking account of its wider responsibilities in terms of legal, moral, social, economic and environmental impact the College will endeavour increase our level of engagement with our internal and external stakeholders.

This strategy sets out a practical action plan related to the development of our procurement activities. The Plan will be regularly monitored and updated annually within the lifecycle of this strategy thus maintaining the alignment of our procurement activity with our broader priorities.
4. **Strategic Procurement Objectives**

This strategy is aligned with 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.

The College’s Strategic Procurement Objectives as defined below pay regard to the five strategic areas defined by the Public Procurement Reform Board (PPRB): 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 Highlands and Islands 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.

These strategic procurement objectives are:

- We will ensure compliance with the general duties and specific measures of the Procurement Reform (Scotland) Act 2014.

- We will continually strive to 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.

We will seek to consistently apply this principle albeit the balance of cost, quality and sustainability will vary for a Regulated Procurement depending on the particular commodity, category and market.

We will consider the whole-life cost of what is being procured and when applying the above principle of value for money, ensure that we do 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 compliance with the general duties of the Act as well as the sustainable procurement duty.
• In compliance with the Procurement Reform Act we 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 SMEs, third sector bodies and supported businesses in our procurement activities and in so doing benefit not only the College but the wider region.

To support compliance with the duty we will endeavour to make use of available tools and systems where relevant and proportionate to the scope of the procurement.

• We will consult and engage with those affected by our procurement activity in line with the good practice and principles of engagement as detailed in the National Standards for Community Engagement.

During each procurement exercise we will consider the community affected by the resultant contract and ensure any affected organisations/persons are consulted for example, impact on service for students. Such consultation will always be on a scale and approach relevant to the procurement in question.

• We will analyse our third-party expenditure and give consideration to appropriate and effective consultation that aligns individual procurement strategies with our own aims and objectives and in turn their contribution to the National Outcomes as detailed in our Regional Outcome Agreement.

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

• We will conduct all our regulated procurements in compliance with the principles of the Treaty on the Functioning of the European Union; equal treatment, non-discrimination, transparency, proportionality and mutual recognition 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 portals such as Public Contracts Scotland (PCS) and Public Contracts Scotland-Tender (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.
We 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.

We 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".

These strategic procurement objectives are mapped to those of the College’s Strategic Plan for 2018 - 2023 as follows:

**Strategic Aim 1: To have a clear organisational identity with an attractive curriculum offer.**

- We will purchase value for money quality and innovative products through the procurement process to enhance the learning environment for our students.
- We will focus on student considerations when purchasing goods and services to ensure the outcomes meets or exceeds the need.
- We will embed and promote the APUC Supply Chain Code of Conduct.
- We recognise 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. We will comply with Late Payment legislation and will review on a contract by contract basis whether such obligations should be enforced further down its supply chain.

**Strategic Aim 2: To promote equal opportunities for all staff and students to achieve their personal aims.**

- We will support HISA in their local purchasing decisions and where appropriate we will involve students in the decision making and evaluation processes.
- We will ensure fair and transparent opportunity for all current and potential suppliers including SMEs, third sector and voluntary organisations.
- We will engage with small to medium local businesses to ensure a greater understanding of the bidding process and provide support for the use of Public Contracts Scotland and Quick Quotes.
- We will continue to engage with local businesses and employers who are part of our community and seek to demonstrate transparency and fairness in the way in which the College carries out procurement and awards contracts for its services and goods.

- We will work with suppliers and internal academic budget holders to drive and deliver innovation and best value to the teaching and learning.

- Where appropriate we will maximise community benefits through the tendering process such as the introduction of apprenticeships and work experience for students as well as promoting value added services to enhance the college and local area.

- We will sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriate supply markets to provide value for money whilst delivering innovative solutions.

**Strategic Aim 3: To match student achievement to local, regional, and national demands.**

- We will publish a Contracts Register to highlight contracts that local suppliers may be interested in bidding for.

- We will provide up to date guidance documents detailing the procurement processes and make these available to all budget holders.

- Through introduction of a procurement eLearning module we will ensure that all staff that purchase goods and services are aware of the College's policies and procedures in respect of procurement, tendering and selection of suppliers and supported throughout the procurement process.

- Where appropriate we will maximise community benefits through the tendering process such as the introduction of apprenticeships and work experience for students as well as promoting value added services to enhance the college and local area.

- We will endeavour to embed the principles of effective contract management providing guidance and training where appropriate, focussing on high spend and high-risk areas.
• To ensure effective risk management in relation to procurement activities, we will develop a procurement risk register which will identify commercial and reputational risks and the appropriate control measures required to mitigate them.

**Strategic Aim 4: To be a socially responsible and accountable Organisation.**

• As an accredited Living Wage employer, we will make specific reference within tender documentation to meet the requirements of the Scottish Government's Fair Work Practice Act and Modern Slavery Act 2015.

• When evaluating regulated procurement exercises; quality, risk and sustainability factors will also be considered along with cost.

• We will ensure that e-invoicing is implemented in line with EU and governmental legislative requirements.

• We will use available tools to ensure that, where appropriate, all environmental, social and economic issues are considered as well as the benefits that can be delivered.

• We are committed to working with suppliers that comply with all relevant legislation, including Health and Safety legislation. Where appropriate and on a contract by contract basis, we will ensure that bidders are fully compliant with such legislation. Where proportionate, we will also seek to assess the compliance of subcontractors.

• We will support the sourcing of goods that are fairly and ethically traded. Where directly relevant we will make use of appropriate standards and labels in our 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.
5. **Procurement Report**

Following Procurement best practice, our Procurement Report will provide a commentary against progress of this Strategy and its associated Action Plan. The report detail will include:

- A summary of Regulated procurement activity.
- A review of whether these procurement activities complied with this strategy including resultant actions if required.
- A summary of any community benefits relating to Regulated procurement, 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 procurement.
- Outcome of our consultation and engagement with stakeholders.
- Actions to improve our performance and impact in order to maximise effectiveness and efficiency.
- A summary of the regulated procurement anticipated within the next two financial years.

We will seek to publish our 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.
6. Responsibilities

The Finance and General Purposes Committee have overall responsibility for this strategy and for fostering a culture within the organisation in which legislative compliance is accepted as a minimum.

The Head of Finance has overall responsibility for:
- implementing the Procurement strategy, monitoring compliance and ensuring it is regularly reviewed and updated as appropriate.
- the development, monitoring and updating of the Action Plan.
- developing and maintaining a Procurement Risk Register in compliance with Risk Management Policy.
- Controlling the risks of non-compliance, though this responsibility is also filtered through all levels of the organisation.

The APUC Shared Service Resource has responsibility for the development of the Procurement Report.

The responsibility for consultation with stakeholders, training and providing support and guidance to ensure organisational and legislative compliance rests with the Head of Finance supported by APUC.
Appendix 1: Definitions

APUC – Advanced Procurement for Universities and Colleges, the Centre of Excellence for the Scottish FE/HE sector.

EU Treaty Principles – These principles relate to equality of opportunity for all EU member states and are; equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

Contract Register – Contract management database provided by APUC.

Local Procurement Journey – Lews Castle College UHI best practice procedure for the procurement of goods and services.

Procurement Journey – The Procurement Journey provides guidance and documentation for the Scottish public sector which can be updated on a continual basis with any changes in legislation, policy and facilitates best practice and consistency [https://www.procurementjourney.scot/procurement](https://www.procurementjourney.scot/procurement).

Procurement Reform (Scotland) Act 2014 – Updated legislation which came into effect on 18 April 2016 has a significant impact on all our procurement processes.

Public Contracts Scotland (PCS) – A portal provided by the Scottish Government which provides suppliers with free easy access to all essential information on public sector business opportunities. All public sector bodies in Scotland are expected to use PCS.

Public Contracts Scotland Tender (PCS-T) – National eSourcing system provided free of charge by the Scottish Government allowing buyers to communicate securely with suppliers throughout the whole procurement lifecycle.

Quick Quote – a facility on Public Contracts Scotland which allows buyers to request competitive quotes. Buyers can select suppliers from those registered on system. This facility is available for low value/low risk requirements or mini competitions using a National Framework.

Scottish Model of Procurement – Looking at outcomes rather than outputs, the Scottish Model of Procurement uses the power of public spend to deliver genuine public value beyond simply cost and/or quality in purchasing, ensuring the best balance of cost, quality and sustainability.

Small and Medium Sized Enterprises (SMEs) - Companies with less than 250 employees (Scottish Government Definition.)

Tools and Systems - Scottish Public Procurement Prioritisation Tool, Sustainability Test, Life Cycle Impact Mapping which maps the impact of a product on the environment through the supply chain through to end of life disposal, the Scottish Flexible Framework, Sustain, Electronics Watch and APUC Code of Conduct.
Appendix 2: Linked Policies/Related Documents

- Anti-bribery Policy
- Contract Management Procedure
- Financial Procedures
- Financial Regulations
- Fraud Prevention Policy and Response Plan
- Health and Safety Policy
Appendix 3: Relevant Legislation/Guidance

- Addressing Fair Work Practices, including the Living Wage, in Procurement
- Energy, Transport and Postal Services Sectors
- EU Procurement Directive for Electronic Invoicing in Public Procurement
- EU Procurement Directive on the Award of Concession Contracts
- EU Procurement Directive on the Award of Contracts by Entities Operating in the Water
- EU Procurement Directive on Public Procurement
- Health and Safety at Work etc. Act 1974
- Modern Slavery Act 2015
- Procurement Reform (Scotland) Act 2014
- Statutory Guidance on the Selection of Tenderers and Award of Contracts
- Treaty on the Functioning of the European Union
Appendix 4: Action Plan

**Aim 1: To have a clear organisational identity with an attractive curriculum offer.**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Main Action</th>
<th>KPI</th>
<th>By When</th>
<th>Responsible Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will enhance our efficiency through effective engagement with our partners both in UHI, the wider education sector and the public sector in general.</td>
<td>Work with Shared Service colleagues in the UHI Strategic Procurement Team to develop and manage partnership-wide collaborative opportunities.</td>
<td>Participate in 1 Collaborative exercise on an annual basis.</td>
<td>Ongoing</td>
<td>APUC Shared Service Resource</td>
</tr>
</tbody>
</table>

**Aim 2: To promote equal opportunities for all staff and students to achieve their personal aims.**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Main Action</th>
<th>KPI</th>
<th>By When</th>
<th>Responsible Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will ensure fair and transparent opportunity for all current and potential suppliers including small and medium sized enterprises (SME's), third sector and voluntary organisations.</td>
<td>Engage with local businesses and employers who are part of our community and seek to demonstrate transparency and fairness in the way in which the College carries out procurement and awards contracts for its services and goods.</td>
<td>Participate in local meet the buyer events.</td>
<td>Biennial</td>
<td>APUC Shared Service Resource in liaison with Supplier Development Programme &amp; Relevant College budget holders.</td>
</tr>
<tr>
<td>We will support the government's directive to drive change through engagement with supported businesses, recognising the positive impact that these have in addressing stubborn inequalities.</td>
<td>As appropriate work with supported businesses to develop meaningful contracts for the provision of goods and services.</td>
<td>Minimum of 1 formal contract to be implemented with supported businesses on the national framework agreement.</td>
<td>On going</td>
<td>APUC Shared Service Resource Relevant Budget Holders</td>
</tr>
</tbody>
</table>
Aim 3: To match student achievement to local, regional and national demands.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Main Action</th>
<th>KPI</th>
<th>By When</th>
<th>Responsible Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will educate our staff to understand the procurement processes and...</td>
<td>Introduce an eLearning Procurement module which has been produced centrally and tailored to each Academic Partner.</td>
<td>eLearning module available on the Virtual Learning Environment and accessed by staff.</td>
<td>31 Dec 2019</td>
<td>UHI Professional Development Officer (On behalf of all APs)</td>
</tr>
<tr>
<td>We will support an ethos of effective contract management, adopting a pro...</td>
<td>Identify Top 10 key suppliers and work with budget holders to embed contract management process. (Onus of contract management is placed on supplier through the contract.)</td>
<td>Embed process through routine review meetings.</td>
<td>Ongoing</td>
<td>APUC Shared Service Resource Relevant budget holders</td>
</tr>
<tr>
<td>Identify Procurement Related Risks</td>
<td>Keep abreast of changes to legislative conditions as a result of the referendum decision to leave the European Union, identifying any challenges and risks as a result of this.</td>
<td>Engagement with changes to ensure risks are identified in Procurement Risk Register (and College Risk Register if appropriate).</td>
<td>Ongoing</td>
<td>APUC Shared Service Resource Head of Finance</td>
</tr>
</tbody>
</table>
Aim 4: To be a socially responsible and accountable organisation

<table>
<thead>
<tr>
<th>Objective</th>
<th>Main Action</th>
<th>KPI</th>
<th>By When</th>
<th>Responsible Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will ensure that sustainability criteria are considered as part of each tendering exercise and, where appropriate, evaluated and measured.</td>
<td>Ensure tender documentation contains appropriate sustainability criteria for measurement and evaluation.</td>
<td>Report on sustainability benefits achieved in regulated procurements within Annual Procurement Report.</td>
<td>Ongoing/Annually</td>
<td>APUC Shared Service Resource Head of Finance</td>
</tr>
<tr>
<td>Where appropriate we will use available tools such as the Flexible Framework and Life Cycle Impact Mapping to ensure that, where appropriate, all environmental, social and economic issues are considered as well as the benefits that can be delivered.</td>
<td>Complete the Flexible Framework self-analysis of sustainability criteria.</td>
<td>Achievement of Level 1.</td>
<td>31 Dec 19</td>
<td>APUC Shared Service Resource Head of Finance</td>
</tr>
</tbody>
</table>