**Procurement Strategy 2016**

**Context**

**High Level Strategy**

The Procurement Strategy is aligned with the University’s Strategic Plan *[and was approved by Court and published in December 2016].*

A successful shared strategic focus is built upon an alignment of perceptions and understanding around what the University needs from a ‘fit for purpose’ procurement process that is consistent with the strategic aims and objectives of the institution. That focus also needs to take proper cognisance of the environments within which the University operates to ensure that external drivers and influences for improvement are appropriately addressed.

**Procurement Strategy**

The Procurement Strategy, in conjunction with the University’s Procurement Policy,sets out the strategic institutional approach to procurement within the prevailing regulatory environment. The focus of the strategic objectives is the maintenance of a sustainable, cost-effective (and legally compliant) procurement operation, the engagement of all staff involved in buying goods and services on behalf of the University and improvement in procurement effectiveness.

**Procurement Mission**

The University is committed to

* obtaining value for money in all of its transactions, and in conducting its daily business staff must always consider the institution’s wider responsibilities in terms of legal, moral, social, economic and environmental impact.
* deliver transformational change by embedding ‘fit for purpose’ procurement practices across the University and by employing technology as appropriate.
* in consultation with stakeholders to create and embed optimum procurement strategies across the University which will generate sustainable and socially responsible outcomes that best support the University's 2016-2021 strategic plan.
* ensure that all University procurement activity is conducted consistent with Scottish Model of Procurement. <http://www.gov.scot/Topics/Government/Procurement/about/spd-aims>
* ensure that effective procurement supports the key corporate strategic objectives. <http://www.stir.ac.uk/media/Download%20our%20Strategic%20Plan.pdf>

**Strategic Procurement Objectives**

The following *broad* procurement objectives align withthe strategic development areas identified by the Public Procurement Review Board in the Public Procurement Reform Agenda, Phase 3 Delivery Vision (2015). These are consistent with the procurement strategy objectives approved by Court in December 2013.

* 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 communitiesthrough the development of an effective and co-ordinated purchasing effort within the University.
* 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.
* To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.
* To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners.

To embed sound ethical, social and environmental policies within the Institution’s procurement function and to comply with relevant Scottish, UK and EU legislation in the performance of the sustainable procurement duty.

* To engage 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.
* 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.

# **Compliance of the Procurement Strategy with the Procurement Reform (Scotland) Act 2014 (‘Reform Act’)**

The table below links the requirements of the Procurement Reform (Scotland) Act 2014 to actions in the University’s procurement strategy.

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| **Reform Act Requirement** | **Type of Requirement** | **Strategy/Objective** |
| Relevant and proportionate consultation and engagement when preparing procurement strategy. | Optional | Prior to formalising a procurement strategy, the University should engage key suppliers and stakeholders to seek feedback on the impact of the strategy over the last 12 months.  Feedback will inform enhancements for subsequent strategies. |
| Statement of the University’s general policy on consulting and engaging with those affected by its procurements. | Mandatory | Where appropriate, prior to a procurement exercise, the University will identify and consult with key stakeholders and suppliers affected by the upcoming procurement activity. |
| Approval of Procurement Strategy. | Optional | Court should approve the 2016 procurement strategy and 5 yearly updates. Interim updates (*e.g.* for statutory compliance) will be approved by an appropriate University committee. |
| Publishing of Procurement Strategy. | Mandatory | The University will publish, and update annually, the Procurement Strategy. |
| The University 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. | Mandatory | The University will analyse third party expenditure, identify ‘EU regulated procurements’ (goods and services worth more than £164,176 works worth more than £4,104,394) and ‘lower value regulated procurements’ (goods and services worth more than £50,000, works worth more than £2,000,000).  The University will sort regulated procurements into procurement categories. How these goods, services and works are bought - collaborative purchasing, use of local, regional and national framework agreements, consolidated contracting - will be subject to annual review with APUC and through stakeholder consultation, optimal category strategies agreed, sensible aggregation opportunities exploited, category and commodity strategies developed, recorded and the most appropriate procurement routes to market chosen.  The University will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.  The University shall utilise portals including PCS and PCS-T 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 University 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 score weightings on a contract-by-contract basis.  The University 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.  The University 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 and Quick Quotes, training and information to build capacity and publishing a contracts register to highlight contracts for which local organisations may be interested in bidding. |
| Ensure procurements deliver value for money. | Mandatory | The University will sort purchasing into procurement categories. Purchasing of goods and services - will be subject to annual review [with APUC, end user and supplier consultation]. Annual review will allow:   * Optimal category strategies to be developed and agreed * Sensible aggregation opportunities identified * Most appropriate procurement routes to market chosen   Where appropriate, collaborative contracts will be used to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.  Quality, risk and sustainability factors, along with cost, will inform decisions to award regulated contracts.  The University will ensure that it awards regulated procurements only to businesses that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards and values in the conduct of their business. |
| Ensure procurements treat economically operators equally and without discrimination. | Mandatory | Appropriate early engagement will allow the University to understand the market for goods and/or services and potential alternative solutions.  The University will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.  The University 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 and Quick Quotes, training and information to build capacity, and publishing a contracts register to highlight contracts for which local organisations may be interested in bidding. |
| Ensure procurements are transparent and proportionate. | Mandatory | The University will utilise portals including PCS and PCS-T 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 University must set out how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty. | Mandatory | The University will undertake regulated procurements in compliance with the sustainable procurement duty. 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 institution 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. |
| Statement of the University’s general policy on the use of community benefit requirements. | Mandatory | For every procurement over £4m, the institution 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 objectives. Such improvements could be implemented through mandated delivery of training opportunities or subcontracting opportunities within the institutions area. Where possible and proportionate, such clauses may be included in procurements below £4m. |
| Statement of the University’s general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements. | Optional | The University recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. Where relevant and proportionate, the University should consider the fair work practices of suppliers in its procurements. |
| Statement of the University’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. | Optional | The University 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 University should assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the institution may also assess such compliance of subcontractors. |
| Statement of the University’s general policy on the procurement of fairly and ethically traded goods and services. | Mandatory | The University 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 University’s general policy on how it intends its approach to regulated procurements involving the provision of food to:   * Improve the health, wellbeing and education of communities in the authority’s area * Promote the highest standards of animal welfare. | Optional | The University should 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 University should work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services. |
| The University 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:   * 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. | Mandatory | The University 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. |

# **Annual Report**

The University will produce an annual procurement report on progress against the strategic objectives and publish it on the University’s Procurement Services website. This report, produced as soon as practicable after the end of the financial year, will describe how the University has discharged its obligations under the Procurement Reform 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 requirement will become effective from 1 August 2017.

The Annual Report will include:

1. A summary of the regulated procurements that have been completed during the year covered by the report.
2. A review of whether those procurements complied with the authority's procurement strategy.
3. To the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply.
4. A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
5. A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.
6. A summary of the regulated procurements the authority expects to commence in the next two financial years.
7. Other information as the Scottish Ministers may by order specify.