UHI | PERTH

Procurement Strategy

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Perth College is a registered Scottish charity, number SC021209

Version Control History

Version Number	Date of Change	Summary of Revisions Made
5	November 2017	Major Revision
6	January 2020	Major Revision The Procurement Strategy links to the Colleges Strategic plan and details the aims and actions the Procurement team will take to support the delivery of the corporate aims.
6.1	April 2023	Rebranding change in footer of review date to issue date adding in EQIA

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Perth College Procurement Strategy 2019-2021

1 Purpose

1.1 Perth College UHI Vision, Mission and Values

In 2016, Perth College UHI set its five-year Strategic Plan (2016-2021) with a vision to be an inspirational partner in economic and social transformation.

Our mission is to change lives through excellence in education, research and innovation, developing knowledge and skills and the experience to succeed through the following aims:

- Inspire and empower our students, regardless of background, to recognise and achieve their potential.
- Work in partnership to foster and drive positive change and growth in local, regional, national and international economies.
- Provide dynamic learning and research experiences within a curriculum that meets economic and societal needs and aspirations.
- Optimise the sustainable use of our systems, processes and resources to provide the best possible student experience and outcomes.
- Have talented, confident and inspirational staff who contribute to and make a vital difference to the success of the students, the life of the College, the University and our communities.

The core values which underpin our vision, mission and aims are ambition, integrity and respect.

2 Scope

2.1 Introduction

This strategy succeeds the 2016-2019 Procurement Strategy. It defines and sets out to deliver the most effective procurement processes to support the aims of the College's Strategic Plan (2016-2021).

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 EU Procurement Directives 2014, the Procurement Reform (Scotland) Act 2014, the General Data Protection Regulations 2018 and other relevant legislation. Due to political uncertainty the strategy also prepares us for the potential impacts of Brexit and how we mitigate the associated risks. It embeds and supports 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 key elements of the legislation require the college to:

- Maintain a public contract register on our external website.
- Meet the sustainable procurement duty.
- Ensure suppliers are correctly handling and storing data in GDPR regulations.
- Contracts mitigate risk from Cyber Essentials.
- Have the facility to provide an E-Invoicing functionality.

On 1st May 2019 MPs declared a climate and environment emergency, in response the sector launched a Climate Commission for UK Higher and Further Education to catalyse action to create real impact and drive change to achieve the UK Government target of net zero emissions on all Green House Gas emissions by 2050 under the 2008 Climate Change Act.

The College Procurement function will be called upon to produce data, increasingly through interaction with supply chains, to support reporting requirements of the climate emergency. The College commit to supporting the Climate Commission agenda and the wider legislative Climate Change requirements.

The successful implementation of this strategy requires staff involved in the procurement of goods and services to work in partnership with the Perth College 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.

2.2 Context

The institutional spend of Perth College UHI on goods and services is circa £4.8m of which £3.6m per annum is influential spend. Perth College is committed to obtaining value for money in all its transactions, whilst also considering the institution's wider responsibilities in terms of legal, moral, social, economic and environmental impacts.

This strategy sets challenging but realistic goals for the development of our procurement activities over the next two years. The associated Action Plan, Appendix 1, covers this period. This Action Plan will be routinely monitored and updated annually within the lifecycle of this strategy thus maintaining the alignment of our procurement activity with our broader priorities.

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 reviewing our current process, policies and procedures to align with best practice and enabling our staff to deliver this through effective training and development.

2.3 Formation and Approval of the Strategy

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

2.4 Procurement Policy

Our Procurement Policy sets out the operational framework of how we conduct our procurement activity and is largely based on the Scottish Government's Procurement Journey. This facilitates our regulated procurements being conducted in a legally compliant manner and is consistent with the rest of the Scottish public sector.

3 Key Principles

3.1 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 Scottish Funding Council'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:

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

b We will 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 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.

c 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 s where relevant and proportionate to the scope of the procurement.

d 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.

e We will analyse our third-party expenditure and consider 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.

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

g 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.

h 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 Colleges strategic plan as follows:

Aim 1: Inspire and empower our students, regardless of background, to recognise and achieve their potential.

- We will support Perth College Students Association in Procurement related matters.

- Where students are impacted, we will involve them in the specification writing and the evaluation of tender submissions.

Aim 2: Work in partnership to foster and drive positive change and growth in local, regional, national and international economies.

- We will ensure fair and transparent opportunity for all suppliers including small and medium sized enterprises (SME's), third sector and voluntary organisations.

- 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.

- We will embed and promote the APUC Supply Chain Code of Conduct.

- We will ensure that we engage with our local supply chain through formal and informal engagement events to increase their knowledge of competitive tendering opportunities allowing the college to receive more competitive bids and deliver sustainable outputs.

- We will support SMEs by ensuring contract documents are concise and proportionate to the contract value.

- We recognise the importance of paying suppliers promptly on completion of a service or delivery of goods. 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 throughout a contract supply chain.

Aim 3: Provide dynamic learning and research experiences within a curriculum that meets economic and societal needs and aspirations

- In addition to value for money, we will drive value added services and sustainable benefits throughout our contracts.

- We will encourage and seek opportunities to work with suppliers to provide innovative solutions and products through our contracts that will support dynamic learning, research opportunities and economic needs.

Aim 4: Optimise the sustainable use of our systems, processes and resources to provide the best possible student experience and outcomes.

- We will review our procurement policies and procedures to align with best practice.

- We will support the enhancement of the learning experience by providing advice and guidance to staff across the organisation in relation to the acquisition of goods and services.

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

- We will embed sound ethical, social and environmental policies within the College's procurement function to comply with relevant Scottish, UK and EU legislation in performance of the sustainable procurement duty. We will ensure that sustainability criteria are considered as part of each tendering exercise and, where appropriate, evaluated and measured. 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.

- We will ensure the college will meet the e-invoicing directive by April 2020 in line with EU and national legislative requirements. We will work with internal departments to put a solution in place that links to PECOS and provides a full electronic P2P Process.

- We will support the sourcing of goods that are fairly and ethically traded. Where directly relevant we will make use of appropriate standards and mutual recognition of labels in our procurements.

- We will ensure effective risk management by creating, maintaining and communicating a procurement risk register that identifies procurement related risks such as financial, reputational, legislative and continuity of supply. High risk areas identified will be submitted to the strategic risk register. The risk register will address appropriate control measures to mitigate risk.

- We will work with our internal and external stakeholders to conduct due diligence checks to ensure that our supply chain is compliant with relevant legislation e.g. GDPR and/or Health and Safety. Where proportionate, we will also seek to assess the compliance of subcontractors.

Aim 5: Developing staff to successfully deliver our vision.

- Through initial induction and ongoing training, we will ensure that all staff who purchase goods and services are aware of the legislative requirements and the College's internal policies and procedures in respect of procurement.

- We will ensure procurement guidance, policies and procedures are up to date and readily available to all staff.

- We will raise awareness of the procurement and tendering process by carrying out procurement awareness training for staff.

- We will seek out professional development opportunities to enrich and enhance experience and capability of procurement staff through regular PRD's and completion of the competency framework.

- We will endeavour to embed the principles of effective contract management across the organisation, providing guidance and training where appropriate, focussing on high spend and high-risk areas.

These objectives are measured and supported in 3 ways; through the Procurement Action Plan within this Strategy (Appendix 1), through our involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP) and through the publication of an Annual Procurement Report (section 7).

3.2 Procurement Report

In accordance with Procurement best practice we will create an Annual Procurement Report, and this will be submitted to the board annually in November to meet the internal sign off procedure.

This report will provide a commentary on the progress of this Strategy and its Action Plan and will contain as a minimum the following:

- A summary of the regulated procurements that have been completed during the year covered by the Report.
- A review of whether these procurements complied with this Strategy.
- The extent that any regulated procurements did not comply, a statement of how we intend to ensure that future regulated procurements do comply.
- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year of the Report including for example; apprenticeships completed, curriculum support activities, business support activities, support to communities and resource efficiencies achieved in terms of materials, waste or water.
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the Report.
- A summary of the regulated procurements we expect to commence in the next 2 financial years.
- Such other information as the Scottish Ministers may by order specify and where applicable that demonstrate compliance with other legislation that places specific requirements on the College with respect to our procurement activities and the College will also consider including:

    - What we have learned from our consultation and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views.

- What we are doing to improve our performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since our last report; and
- How we are working with other bodies – for example procurement centres of expertise – to maximise effectiveness and efficiency.

We will seek to publish our annual procurement report in an inclusive way that considers equality and accessibility issues and allows stakeholders to form a clear view of the College's performance.

4 Definitions

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

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.

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.

Public Contracts Scotland – The web portal provided by the Scottish Government upon which all public contract opportunities are advertised.

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

The Flexible Framework – The Flexible Framework is a widely used self-assessment mechanism developed by the business-led Sustainable Procurement Task Force, which allows organisations to measure and monitor their progress on sustainable procurement over time.

GDPR – General Data Protection Regulations May 2018

Life Cycle Impact Mapping – A process which maps the impact of a product on the environment through the supply chain through to end of life disposal.

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.

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

Hunter Database – Contract 2management database provided by APUC.

Public Contracts Scotland – 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 – 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 – The facility on Public Contracts Scotland which allows buyers to ask for competitive quotes for low value/low risk procurement exercises from suppliers who are registered on Public Contracts Scotland.

Small and Medium Sized Enterprises (SME's) – Companies with less than 250 employees (Scottish Government Definition).

Procurement and Commercial Improvement Programme (PCIP) – Assessment and review of procurement and commercial performance carried out by APUC.

Public Procurement Reform Board (PPRB) – The Board formed following the McClelland report in 2006 to drive change within public sector procurement in Scotland, promoting collaborative working across a wide range of procurement activities and practice across all public sector procurement spend.

5 Responsibilities

5.1 The Senior Management Team and Board of Management have overall responsibility for the Strategy and for fostering a culture within the organisation in which legislative compliance is accepted as a minimum.

5.2 The Head of Finance has responsibility for implementing the Strategy, monitoring compliance and ensuring the Strategy is regularly reviewed and updated as appropriate.

5.3 Perth College Procurement Team have the responsibility for the development, monitoring and updating of the associated Action Plan.

5.4 Perth College Procurement Team have responsibility for developing and maintaining a Procurement Risk Register in compliance with Risk Management Policy. The responsibility to control the risks of non-compliance resides at all levels of the organisation.

5.5 Perth College Procurement Team has responsibility for the development of the Annual Procurement Report.

5.6 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 the Perth College Procurement Team.

5.7 Quality approval check of the strategy is the responsibility of the Quality Manager who will arrange for the strategy to be posted on the website.

6 Linked Policies/Related Documents

Procurement Policy
Anti-bribery Policy
Contract Management Procedure
Fraud Prevention Policy and Response Plan
Health and Safety Policy
Strategic Plan 2016-2021
ICT Strategy
Sustainability Strategy

7 Relevant Legislation/Guidance

Procurement Reform (Scotland) Act 2014
Health and Safety at Work etc Act 1974
Modern Slavery Act 2015
Treaty on the Functioning of the European Union
EU Procurement Directive on 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, Energy, Transport and Postal Services Sectors
EU Procurement Directive for Electronic Invoicing in Public Procurement
Statutory Guidance on the Selection of Tenderers and Award of Contracts
Addressing Fair Work Practices, including the Living Wage
GDPR Regulations 2018

Appendix 1: Action Plan for August 19 to July 2020

Aim 1: Inspire and empower our students, regardless of background to recognise and achieve their potential.

Objective	Target/Outcome	Main Action	KPI	By Whom	By When	RAG
Where students are impacted, we will involve them in the specification writing and the evaluation process.	HISA representative to be involved in specification and evaluation of the Promotional Goods and Catering Contracts.	• HISA reps identified and invited to participate in tender exercises.	• HISA reps have contributed to a minimum of 2 tender exercises.	• Procurement Team • Key Stakeholders • HISA Reps	July 2020	

Aim 2: Working in partnership to foster and drive positive change and growth in local, regional, national and international economies.

Objective	Target/Outcome	Main Action	KPI	By Whom	By When	RAG
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.	Perth College to award contracts to Supported Business.	• Investigate and document opportunities where supported business can be engaged in contracts and award where appropriate	• Min of 1 contract awarded to a Supported Business.	• Procurement Team • Key Stakeholders	July 2020	
We will ensure that we engage with our local	Increase the number of SME	• Represent Perth College at an	• Attend a min of 1 Buyer Event.	• Procurement Team	July 2020	

supply chain through formal and informal engagement events to increase their knowledge of competitive tendering opportunities allowing the college to receive more competitive bids and deliver sustainable outputs.	bids received by the college.	organised "Meet the buyer" event.	• Supply Chain Code of Conduct included in all Regulated tender exercises. • Provide a statistical report of all SME contracts.	• Budget Holders		

Aim 3: Provide a dynamic learning and research experiences within a curriculum that meets economic and societal needs and aspirations

Objective	Target/Outcome	Main Action	KPI	By Whom	By When	RAG
We will drive value added services in contracts to enhance the Student experience. In addition to value for money, we will drive value added services and sustainable benefits throughout our contracts.	Deliver Added Value services to the college that enhances the Student Experience	• Investigate and document where Added Value services can be offered in the contract	• Provide a Statistical annual report that demonstrates the delivery of added value opportunities	• Procurement Team	July 2020	

Aim 4: Optimise the sustainable use of our systems, processes and resources to provide the best possible student experience and outcomes.

Objective	Target/Outcome	Main Action	KPI	By Whom	By When	RAG
We will review our procurement policies and procedures to align with best practice.	Ensure all relevant staff are aware of the Procurement Regulations to reduce noncompliance within the college.	• Review, amend, agree and effectively communicate Procurement Policy.	• Amended Procurement Policy signed off and communicated.	• Procurement Team • Senior Managemen t Team • Perth College Board	July 2020	
We will ensure effective risk management by creating, maintaining and communicating a procurement risk register that identifies procurement related risks such as financial, reputational, legislative and continuity of supply through Brexit issues.	Mitigate risk to the college through analysis and monitoring of potential procurement related risks and having control measures in place.	• Risk Register completed and signed off by board and documented in College Policy Register. • New Terms and Conditions to be agreed, published and issued with contracts. • Work with Centres of expertise to analyse all framework agreements for Brexit Impacts (staffing, supplies shortages, increased risk of modern slavery, waste impacts, border blockages etc) and categorising them into	• Risk Register completed and signed off internally. • New Terms and Conditions to be agreed and signed off internally. • A Brexit risk register to be created for Framework agreements. • GDPR Register completed for all regulated exercises where GDPR is relevant. • GDPR requirements considered and addressed for all exercises at contract strategy, within tender	• Procurement Team with assistance from Centres of Expertise • Data Protection Officer	Feb 2020	

		low/medium/high risk and impact. • For each medium/high impact agreements, list the risks and against each the action required/being taken to further assess/mitigate the risk. • Work with internal Data Protection Officer to maintain a GDPR Vendor Register and address GDPR issues within the supply chain.	documentation and prior to award.			
We will ensure that sustainability criteria are considered as part of each tendering exercise and, where appropriate, evaluated and measured.	The college to benefit from the delivery and transparency of sustainable outputs driven through tendering opportunities (BT14 benefits).	• Sustainability benefits are considered, documented and delivered throughout the tender process and documentation.	• Evidence that all regulated tender exercise includes a Fair Work Practices question between 5-10%. • Evidence that all relevant regulated exercises have completed a sustainability test, and the outputs included in tender documents.	• Procurement Team	July 2020	
We will support the enhancement of the learning experience	Reduce the Colleges Risk of Non-Compliance	• Create and maintain a 4 year spend analysis that	• Non-Compliant report available and	• Procurement Team	July 2020	

by providing advice and guidance to staff across the organisation in relation to the acquisition of goods and services.	and increase value for money and sustainable outputs.	identifies areas of non-compliance. • Embed a Non-Competitive Action Process. • Create and maintain a 2 year Forward Contracting Plan.	communicated to Key Stakeholders. • NCA documentation in place and a report of usage to be published in the annual report. • 2 year forward contracting plan to be published with annual report.	• Key Stakeholders		

Aim 5: Developing staff fully to deliver our vision

Objective	Target/Outcome	Main Action	KPI	By Whom	By When	RAG
Through initial induction and ongoing training, we will ensure that all staff who purchase goods and services are aware of the legislative requirements and the College's internal policies and procedures in respect of procurement, tendering and selection of suppliers and supported throughout the procurement process.	Staff to be aware about the legislative requirements pertaining to the procurement of goods and services. Provide the facility for procurement eLearning for staff.	• Deliver Procurement Training Workshops to Key Stakeholders and Requisitioners. • Review and update current Procurement E-Learning module to align with legislative changes. • Current employees and new staff to complete Procurement eLearning Module.	• 4 Training Workshops delivered per annum. • 100% of all new employees to complete Procurement Module as part of HR induction. • 90% of staff to have completed Procurement E-Learning Module.	• Procurement Team • HR	July 2020	
We will endeavour to embed the principles of effective contract management across the organisation, providing guidance and training where appropriate, focussing on high spend and high-risk areas.	Through effective Contract Management we will maximise operational and financial performance while reducing risk.	• Contract Management Process created and embedded. • Key Contracts identified. • Work with key stakeholders to deliver a consistent contract management process.	• All regulated contracts assessed and assigned a contract management level. • For all Strategic Level Contracts, a 6-month report is submitted to the Finance Director. • Medium and Strategic contracts to have minutes documented and filed.	• Procurement Team • Key Stakeholders	July 2020	