

Procurement Strategy 2016 – 2020 (Dec 2018 update)

Foreword by **David Reeves, Director of Finance**

This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014¹ and other relevant legislation and is aligned with the University's key strategic aims as detailed in Strategic Plan 2015-2020².

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*

The Procurement team at Abertay were employed in April 2016 following a procurement skills gap of approximately 2 years. The procurement function at Abertay is therefore still relatively immature and requires time to review and embed policy and procedures. The Action Plan appended has been designed to allow realistic improvements and to meet the key elements of legislation.

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

This Strategy sets us challenging but realistic goals for the development of our procurement activities to July 2020 which will be subject to regular and transparent review and amendment, where necessary.

Working together we can significantly contribute to the future sustainability of the University through the reinvestment of resulting savings and efficiencies from our procurement activities to enhance our students learning experiences and outcomes and meet our aspirations as set out in our University's Strategic Plan.

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

2. [Abertay University Strategic Plan](#)

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1. Formation & Context

Abertay University's Procurement Strategy is informed by the Scottish Procurement's statutory guidance under the Procurement Reform (Scotland) Act 2014¹ with the support of APUC³, the procurement centre of expertise for Scotland's Colleges and Universities.

This document provides the framework within which the procurement activities of the University assist in the delivery and support our strategic purpose, principles and aims. It can also be understood as a procurement improvements journey.

The original Strategy, approved by the University's Director of Finance and subsequently published in December 2016, is subject to an annual review process to comply with the Procurement Reform (Scotland) Act 2014.

Regular review allows for procurement objectives to align with the broader priorities of the University through the appropriate adjustment of the Strategy. In line with this review cycle, the Strategy has been updated and republished in December 2018 to reflect progress to date.

A key objective of the Strategy is to raise awareness of the benefits of using collaborative contracts, and supporting internal stakeholders to improve planning and management their procurement activity. There is also an emphasis on increasing contract and supplier management and engagement with suppliers and staff to embed a sound ethical, social and environmental approach within the University's procurement function.

2. Procurement Mission

Our procurement mission is to support the University's Strategic Plan by working with Schools and Services to ensure they have the tools they require to meet and exceed their innovative and inclusive teaching, research and knowledge exchange activity. By improving planning and collaboration we will seek to achieve value for money through continually improving our sustainable procurement practice.

3. Strategic Procurement Objectives

Our strategic procurement objectives form the core of our Procurement Strategy. Each objective is mapped to the four strategic areas aligned to the Scottish Model of Procurement:

- Removing barriers
- Delivering savings and benefits
- Maximising efficiency and collaboration
- Embedding sustainability in all we do

Objective 1

To work with internal budget holders, academic and support service colleagues and suppliers to deliver innovation and best value to the University, through the continuing development of effective and co-ordinated purchasing processes.

[Removing barriers; Efficiency and collaboration; Savings and benefits]

Objective 2

To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners.

(Capability; Efficiency and collaboration)

Objective 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]

Objective 4

To work with our internal stakeholders and suppliers to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.

[Efficiency & collaboration; Savings and benefits]

Objective 5

To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance and to improve co-ordinated procurement planning

[Efficiency and collaboration; Removing barriers; Savings & benefits]

Objective 6

To embed sound ethical, social and environmental policies within the University's procurement function and to comply with relevant Scottish and EU legislation through compliance with the Sustainable Procurement Duty.

[Sustainability; Capability]

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

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

As required by the Act, the University must comply with a small number of general duties and specific measures which will be embedded in our Action Plan:

4.1 Contribute to the carrying out of our functions and the achievement of our purposes

The University will analyse its supplier spend on a quarterly and annual basis and identify regulated procurements (both PRSA and EU thresholds).

In addition, the University will identify regulated procurements by Proc-HE Commodity category and give consideration to the effectiveness of these procurements in consultation with key stakeholders and contract managers.

The alignment to the University's Strategic Plan and also their contribution to the National Outcomes as detailed in the University's Regional Outcome Agreement⁸ will be considered.

Consultation will take place when developing a procurement strategy for regulated procurements.

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

4.2 Deliver value for money

The University will:

- Complete commodity strategy documents for regulated procurements, following the Procurement Journey principles.
- Use available management information and key stakeholders specialist knowledge to identify spend by commodity category.
- We shall aggregate spend by category and where appropriate identify tendering opportunities.
- Regulated procurements shall undertake risk assessment and opportunities for improved contract performance and demand management shall be identified.
- Collaborative contracts shall be used where they provide benefit and improved contract terms.
- We shall undertake proportionate contract management practices, addressing qualitative shortfalls.
- We shall promote sustainability, where relevant within our tendering activity and during the life of contracts.

4.3 Treating relevant economic operators equally and without discrimination

The University will conduct all its 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.

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.

The University shall publish a public facing Contract Register which includes lower value opportunities which smaller, local organisations may have an interest in bidding.

6.5 Acting in a transparent and proportionate manner

All regulated procurement shall be advertised within the PCS portal. Appropriate lotting and output based specifications will be used.

The University will actively take steps to make it easier for smaller and local businesses to bid for contracts through:

- Use of PCS and Quick Quotes
- Providing information on third party training opportunities to build suppliers capacity to better navigate the public tender process
- Publishing a contracts register to highlight contracts that local suppliers may be interested in bidding for.

6.6 The Sustainable Procurement Duty

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

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

6.7 Policy on the use of community benefits

The University will consider for each of its procurements over £4m how it can improve the economic social or environmental wellbeing of the Tayside region through the inclusion of community benefit clauses.

Examples of the scope of community benefits clauses will include the delivery of training opportunities to students or subcontracting opportunities within Tayside region relevant and proportionate to the particular procurement. Where possible and proportionate, such clauses may also be included in procurements below £4m.

6.8 Consulting and engaging with those affected by its procurements

The University will consider each procurement, the community affected by the resultant contract and seek to consult with those affected (e.g. impact on service for students, or a local contract that could be combined with other similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question. All of the above will be embedded in the University's procurement practice.

6.9 The Living Wage

The University recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. Abertay University pays the living wage to staff although is not currently an accredited living wage employer. In compliance with the Act the University will consider, before undertaking a regulated procurement, whether it is relevant and proportionate to include a question on fair work practices along with other relevant criteria, whilst ensuring the appropriate balance between quality and cost of the contract, paying regard to the statutory guidance including the application the living wage.

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

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 institution will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the University also seek to assess the compliance of subcontractors.

The ESPD (Scotland) shall be used for all regulated procurements.

For suppliers entering University premises, it is a requirement that notification is given in advance to the Health & Safety manager or Estates and Campus Manager to provide a work permit and assess any H&S requirements.

6.11 The procurement of fairly and ethically traded goods and services

The University supports the sourcing of goods that are fairly and ethically traded. Where directly relevant it shall make use of appropriate standards and labels in its regulated 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.

1. [The Living Wage](#)
2. [H & S at Work Act](#)
3. [ESPD \(Scotland\)](#)

The University 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.

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

The University will work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services.

6.13 Payment terms

The University recognises the importance of paying suppliers promptly once a service has been performed or goods delivered and that late payment is particularly detrimental to SMEs, third sector bodies and supported businesses.

The University will comply 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.

7 Annual Procurement Report

7.1 Statutory Requirement

In accordance with requirement of the Procurement Reform (Scotland) Act 2014, the University will publish an Annual Procurement Report as soon as practicable after University's financial year end and will describe as required by the Act how it has discharged its obligations under the Act and how it has exercised discretion and judgement as permitted by the public procurement rules to secure strategic objectives in compliance with the Act.

This report will also provide a commentary on the progress of this Strategy and its Action Plan.

7.2 Contents of our Annual Procurement Report

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

- A summary of the regulated procurements that have been completed during the year covered by the Report
- A review of whether these procurements complied with this Strategy
- The extent that any regulated procurements did not comply, a statement of how the University intends to ensure that future regulated procurements do comply
- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year of the Report including for example; apprenticeships completed, curriculum support activities, business support activities, support to communities and resource efficiencies achieved in terms of materials, waste or water.

- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the Report
- A summary of the regulated procurements the University expects to commence in the next two financial years
- Such other information as the Scottish Ministers may by order specify.

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

ANNEX A

