

## **Procurement Strategy**

**2017-2021**

Date of next review: November 2021  
Responsibility: Director of Finance  
Approved by:

## **1. Vision, Mission and Values**

The College vision, delivered through its Strategic Plan is “West Highland College UHI will be the education provider of choice, delivering leadership and excellence in learning, training and support for all students, businesses and rural communities”.

The Colleges mission is “West Highland College UHI will act as a positive force for change in the development and prospects of this region, its people and its communities”.

West Highland College Values:

- Inclusive – Respect individual values and proactively promote equality and diversity.
- Individualised – Recognise and take account of personal need, aspiration, skill and ability.
- Innovative – Continually improve the way we design and deliver our programmes; develop best practice through creative approaches to learning and teaching and effective use of technology.
- Intercultural – Embrace and celebrate diversity through integration and interaction. Recognise all forms of difference and actively engage and learn from each other.
- Inspirational – Lead by example in growing ambition and realising potential for all.

## **2. Introduction**

This strategy is the culmination of consultation and engagement with a wide range of staff involved in procurement as well as external stakeholders.

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 key elements of the new legislation require the college to:

- maintain a public contract register on our external website.
- increase the scope of our regulated procurements.
- meet the sustainable procurement duty.

The successful implementation of this strategy requires staff involved in the procurement of goods and services to work in partnership with the UHI 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**

The College's institutional non-pay spend is approximately £1.64m per annum. The College is committed to obtaining value for money in all of its transactions while taking into account its wider responsibilities in terms of legal, moral, social, economic and environmental impact.

This strategy sets challenging but realistic goals for the development of our procurement activities over the next three years. The associated Action Plan, Appendix 4, covers the first half of 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 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 including an increasingly greater engagement with our internal and external stakeholders.

#### **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:

- 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 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.

- 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 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 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.
- 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 of 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 College's Strategic Plan as follows:

Aim 1; To have the right learning in the right place

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

Aim 2: To deliver excellent and sustainable learning for all.

- a) 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.
- b) We will ensure fair and transparent opportunity for all current and potential suppliers including SMEs, third sector and voluntary organisations.
- c) 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.
- d) 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.

- e) We will publish a contract register to highlight contracts that local suppliers may be interested in bidding for.
- f) We will embed and promote the APUC Supply Chain Code of Conduct.

Aim 3: To contribute to economically and socially sustainable communities by developing the skills of the area's workforce.

- a) We will purchase value for money quality and innovative products through the procurement process to enhance the learning environment for our students.
- b) We will support HISA in their local purchasing decisions and where appropriate we will involve students in the decision making and evaluation processes.
- c) We will focus on student considerations when purchasing goods and services to ensure the outcomes meets or exceeds the need.
- d) 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.
- e) We will work with suppliers and internal academic budget holders to drive and deliver innovation and best value to the teaching and learning.
- f) When evaluating regulated procurement exercises; quality, risk and sustainability factors will also be considered along with cost.
- g) We will ensure that e-invoicing is implemented by 2018 in line with EU and governmental legislative requirements.
- h) 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.
- i) 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.
- j) 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.

- k) 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.
- l) 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.
- m) 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**

The Procurement Report will provide a commentary on the progress of this strategy and its associated Action Plan and will contain as a minimum the following:

- 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 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.

We will seek to publish our 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 College's performance.

## **6. Responsibilities**

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

The APUC Shared Service Resource has responsibility for the development, monitoring and updating of the associated Action Plan.

APUC Shared service resource has 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.

APUC shared service resource has responsibility for the development of the Annual Procurement Report.

The responsibility for consultation with stakeholders, training and providing support and guidance to ensure organisational and legislative compliance rests with the Director 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.

**Expenditure levels** - 'EU regulated procurements' defined as Goods and Services worth more than £164,176 and Works worth more than £4,104,394. OJEU thresholds apply to the College as an “other public sector contracting authority”. ‘Lower value regulated procurements’ are defined as Goods and Services worth more than £50,000 and Works worth more than £2 million (Procurement Reform Act 2014).

**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.

**Hunter Database** – Contract management database provided by APUC.

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

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

**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.

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

**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.

**Public Procurement Reform Board (PPRB)** – the Board formed following the McLelland 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.

**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 for August 2020- July 2021

Objective	Main Action	KPI	By When	Responsible Person
Procurement will support Academic and Professional Services Departments to enhance the learning, teaching, research and innovation experience, for the many and diverse needs of stakeholders, by providing innovative solutions for their procurement decisions.	Procurement will support Academic and Professional Services Departments to enhance the learning, teaching, research and innovation experience, for the many and diverse needs of stakeholders, by providing innovative solutions for their procurement decisions.	Procurement identifies as being key in terms of value of expenditure or value of risk.  Total expenditure for these key stakeholder areas  Number and frequency of communications with key stakeholders  Output summary from annual stakeholder and supplier feedback	01/08/2021	APUC Shared Service Resource
Procurement will develop management information to measure and improve procurement and supplier performance, assisting key stakeholder areas in meeting their requirements for best value goods and services.	Review annual expenditure analysis to understand regulated procurement and contracts in place.  Category management of key spend areas to identify areas where collaborative agreements could be used.  Template documents produced for Procurement team to ensure strategy development will address how corporate social responsibilities - equalities, fair trade, governance,	Report on:  Total value of expenditure across College  Total value of expenditure influenced by Procurement Team directly or indirectly.  % expenditure through collaborative agreements	01/08/2021	APUC Shared Service Resource

	<p>prompt payment, supporting local SMEs and sustainable procurement can be developed and achieved through regulated procurement contracts, embedding these responsibility objectives into tender documentation and evaluation criteria</p> <p>Contract management process applied to appropriate contracts and managed on a proportionate basis.</p>			
We will develop our procurement professionals to understand the impacts of changing institutional strategies and legislative requirements	Procurement Staff to attend relevant training and development courses.	Minimum 4 relevant training sessions to be attended by SSR (face to face or online)	01/08/2021	APUC Shared Service Resource
We will educate our stakeholders to understand the impacts of non-compliance with procurement processes and legislation	Introduce an eLearning Procurement module.	Elearning module available on Blackboard or equivalent and accessed by staff	01/08/2021	APUC Shared Service Resource Finance Director
	Create Procurement Guidance Documents.	Step by Step Guide to be published.	31/12/2020	APUC Shared Service Resource
	Educate staff in Purchase to Pay Process	Deliver an annual PEOCS Workshop for stakeholders	01/08/2021	APUC Shared Service Resource
	Ensure staff understand the implications of Non-Compliance with the Procurement Regulations	Create and publish a Non-Competitive Action process	01/03/2021	APUC Shared Service Resource

COVID19- work with our stakeholders and supply chain to deliver innovative solutions for remote working issues caused by Covid19.	Investigate current contracts terms to understand where service changes/improvements could be made to make positive operational or financial impacts.	Report to be produced on findings to Finance Director	01/02/2021	APUC Shared Service Resource
BREXIT- work with stakeholders, supply chain and COE to mitigate issues relating to BREXIT	Analyse contracts to understand risks and exercise contingency planning where applicable	Report to be produced on findings to Finance Director	01/02/2021	APUC Shared Service Resource
We will enhance our efficiency through effective engagement with our partners both in UHI, the wider education sector and the public sector in general.	As appropriate engage with partners out with UHI to maximise economies of scale based on local geography and through this engagement ensure that we meet our corporate social responsibility requirements in our local communities.	Participate in a minimum of 3 contracts per annum with another Public Sector Body or UHI Partner (	01/08/2021	APUC Shared Service Resource

We will ensure that sustainability criteria are considered as part of each tendering exercise and, where appropriate, evaluated and measured.	Ensure tender documentation contains appropriate sustainability criteria for measurement and evaluation.	Report on sustainability benefits achieved in regulated procurements within Annual Procurement Report	ongoing	APUC Shared Service Resource Director of Finance
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	Complete the Flexible Framework self-analysis of sustainability criteria.	Achievement of Level 1	31/07/20	APUC Shared Service Resource Head of Estates

considered as well as the benefits that can be delivered.				
We will support an ethos of effective contract management, adopting a pro-active approach to ensure optimum performance and service levels.	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.)	Annually Report on Contract Management Improvements	01/08/2021	APUC Shared Service Resource Relevant budget holders
Identify Procurement Related Risks	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.	Engagement with changes to ensure risks are identified in Procurement Risk Register (and College Risk Register if appropriate)	01/08/2021	APUC Shared Service Resource Director of Finance
We will support local SME's to participate in our Supply Chain	Attend Buyer Events to provide support and guidance to SME's within the UHI geographical area	Attend a minimum of 1 Buyer Event	1/08/2021	APUC Shared Service Resource
We will understand how much contract value is spent with SME's	Create a mechanism to record spend through Small to Medium Enterprises.	Provide Data as part of the Annual Procurement Report	1/08/2021	APUC Shared Service Resource
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.	As appropriate work with supported businesses to develop meaningful contracts for the provision of goods and services.	Minimum of 1 formal contract to be implemented with supported businesses on the national framework agreement	1/08/2021	APUC Shared Service Resource