

Scottish Funding Council Procurement Strategy

Introduction

1. The purpose of this strategy is to set out how the Council will plan and manage its procurement process to meet its corporate aims and objectives and comply with regulatory and legislative requirements.

Ownership and approval of the strategy

2. The Chief Executive, as the Accountable Officer, has specific responsibility to ensure that procurement activity is conducted in accordance with the requirements of the Procurement section of the Scottish Public Finance Manual. This responsibility will be discharged through the implementation of this strategy.
3. The Director of Finance is the sponsor of the Procurement Strategy with responsibility for delivering the strategy being with the finance team and staff who are involved in the procurement process.
4. The strategy must be approved by the SFC's Senior Management Team.

Content of the strategy

5. Our procurement strategy:
 - Identifies those factors that will influence the way in which we manage the procurement process over the period 2018-21.
 - Sets out our priorities and proposals for procurement over the planning period.
 - Describes the arrangements for monitoring and evaluating the strategy.

Which factors have influenced the development of our strategy

6. We have taken account of two main factors in the development of the strategy. These are described below.

Legislative requirements

- Public Contracts (Scotland) Regulations 2015.
- Procurement Reform (Scotland) Act 2014.
- Procurement (Scotland) Regulations 2016.
- Freedom of Information and Data Protection acts.
- Equality Act 2010.
- Equality Act 2010 (Specific Duties) (Scotland) Regulations 2010.
- Employment Relations Act 1999 (Blacklists) Regulations 2010.

Our corporate aims and objectives

7. Our priorities for the procurement of goods and services are influenced by our corporate aims and objectives. These will be given priority in our strategy.
8. We have also given a commitment in our plan to developing strong partnership working with our stakeholder bodies and to improving continuously our performance as an organisation. Our procurement strategy will help to meet these commitments.

Our priorities

9. Our strategy has six main priorities:
 - Achieving value for money.
 - Delivering sustainable procurement.
 - Raising the level of procurement knowledge, skills and expertise.
 - Providing timely performance information.
 - Achieving the benefits derived from collaborative working.
 - Strengthening contract and supplier management processes.
 - Providing an excellent procurement service suitable for our size of organisation.

Priority one: achieving value for money

10. We aim to achieve value for money when procuring goods and services. This is based on the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. Competition promotes efficiency and effectiveness in public expenditure therefore goods, services and works should be acquired by effective competition, including adequate publication of the contract unless there are convincing and justifiable reasons to the contrary. All contracts above £5k should be advertised on the Public Contracts Scotland portal. We will award contracts on the basis of the most economically advantageous tender (MEAT) which balances value for money and the required quality of the service, goods or work being procured.

Priority two: delivering sustainable procurement

11. We will aim to incorporate economic, social (including equality) and environmental issues in our procurement process, provided that doing so provides a value for money outcome, complies with legislative requirements and is directly related to the subject matter of the contract. We will do this as follows:
- Prompt payment to suppliers and their sub-contractors. We are committed to paying our suppliers promptly and include a clause in our standard terms and conditions stating that we will pay valid invoices within 30 days from receipt. To ensure this flows through the supply chain, we have a further clause stating, where there are sub-contracting arrangements in place, that suppliers must make payment within the same terms to their sub-contractors. SFC works towards making payments to suppliers within 10 working days.
 - Paying the living wage through our regulated procurement. We are committed to promoting the use of the Scottish Living Wage. We will continue to incorporate evaluation of workforce matters into all contracts where the use of labour is a key deliverable. Where suppliers have staff working on our premises, these employees are being paid the Scottish Living Wage.
 - Community benefits. We will promote the use of community benefits within procurement exercises where relevant and proportionate to the contract.
 - SMEs, local businesses, supported businesses and the third sector. We will continue to review and update our procurement policies and procedures to ensure that we contribute to improving the

social, economic and environmental wellbeing where relevant in delivering our contracts. This ongoing review will ensure we remain an inclusive organisation and encourage a diverse range of suppliers including SMEs, the third sector and supported businesses. We will use the Scottish Government's Supported Business and Factory framework where there is a requirement to purchase goods and services covered by this contract.

- Fair and ethical trading. We will procure fair and ethically traded goods and services in accordance with current legislation.

Priority three: raising the level of procurement knowledge, skills and expertise

12. Budget holders will receive an annual reminder of their responsibilities with regard to procurement, along with the offer of a training update.

Priority four: providing timely performance information

13. We will provide an annual procurement performance report to SMT that shows analysis of expenditure, transactions and suppliers. This will be used to inform our sourcing strategies and identify opportunities for collaborative buying. We will measure benefits and savings realised from collaborative and high value contracts.

Priority five: achieve the benefits derived from collaborative working

14. We will continue to use Scottish Procurement frameworks and Crown Commercial Services frameworks where appropriate. We will explore opportunities for further collaboration through our partnership with Central Government Procurement Shared Services (CGPSS) and membership of the Procurement Cluster Group led by Scottish Enterprise. These relationships facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.

Priority six: providing an excellent procurement service suitable for our size of organisation

15. We will review our business processes regularly to ensure that delegated authority is appropriate, that there is appropriate separation of duties when procuring goods and services, all valid invoices are paid on time and all purchasing and procurement procedures are followed.

Equality and diversity

16. In line with the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, we consider equality throughout our tender processes and comply with legislation. Suppliers must not unlawfully discriminate against any person within the meaning of the Equality Act 2010 in its activities relating to contracting with the SFC. This is included in our standard terms and conditions.

Management and monitoring of our purchasing strategy

Communication

17. SFC has a procurement related section on its external website where we will outline our procurement processes, our standard terms and conditions and our procurement strategy. We will publish a forward plan of regulated procurement for the next financial year.
18. All of our regulated contracts are publicly available on a contract register hosted by Public Contracts Scotland.

Management and monitoring

19. Our strategy will be implemented on a day-to-day basis by the Finance Group, working with colleagues within the SFC with procurement related tasks.
20. The priorities contained in our strategy will be translated into specific tasks each year using the Council's existing operational and financial planning process. We will also use the operational planning process to identify new procurement projects which are likely to require additional support from the finance team.
21. We will evaluate and review our strategy annually. The outcome of the annual review will be a new programme of work and identified tasks that will feed into the operational and financial planning processes for the following year. We will ensure that the strategy remains flexible and can accommodate:
 - Changing legislative and Government requirements.
 - New corporate priorities.

Reporting

22. As soon as practicable after the end of the financial year, an annual procurement report will be published to include:

- A summary of regulated procurements completed during the period covered by the report.
- A review of whether those procurements complied with the procurement strategy.
- Non-compliant regulated procurements and a statement of the intention to ensure future procurements do comply.
- Summary of community benefits as part of regulated procurements in the report period.
- Summary of steps taken to facilitate involvement of supported businesses in regulated procurements during the report period.
- Summary of regulated procurements expected to commence in the next 2 financial years.
- Any other information as required by Scottish Ministers.

Our supporting policies

23. Our strategy for procurement is supported by other Council policies on:
- Purchasing of goods and services.
 - Tendering procedures.
 - Data protection and records management.
 - Health and safety.
 - Equality and diversity.
24. Copies of these policies are available on request.

Conclusion

25. This strategy sets out how we intend to use procure goods and services over the period 2018-21. It sets out our main priorities over the planning period. These take account of legislative and Government requirements and the corporate aims and objectives of the Council.

Further information

26. Further information about the Council's procurement strategy is available from Fiona O'Neill, tel: 0131.313 6525, email: foneill@sfc.ac.uk.

