

# Edinburgh Region Procurement Team (ERPT) Procurement Strategy: January 2017 – July 2018

## Institutional Membership



For the future you want



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## Foreword

*The Edinburgh Regional Procurement Team (ERPT) is a recently founded regional procurement shared service whose aim and objectives are to maximise: value, commercial leverage, sustainability and best practices across all the Member Institutions. ERPT will be closely aligned to both APUC and the sectors' procurement related / involved activities which have developed substantially over recent years in various different ways, with historically both APUC and institutions implementing a variety of different solutions and approaches to meet the varying needs of the different member institutions.*

*Current membership of the ERPT are Edinburgh Napier University (ENU), Edinburgh College (EC) and West Lothian College (WLC). At the time of preparing this strategy document West Lothian College are not required to comply with the specific duty to publish an Institution Procurement Strategy by 31<sup>st</sup> December 2016, and therefore not referenced further throughout this document. However, the decision not to include WLC at this time will be subject to review at a later date.*

*This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014<sup>1</sup> and other relevant legislation and is aligned with the ERPT Member Institutions and the Scottish Funding Council's key strategic outcomes as detailed in the Member Institutions respective Outcome Agreements<sup>2</sup> and Corporate Strategies<sup>3</sup>.*

*The key elements of the new legislation:*

- require publication of a procurement strategy<sup>4</sup>*
- require publication of a public contracts register on our external website<sup>5</sup>*
- increase the scope of regulated procurements<sup>6</sup>*
- require publication of an annual procurement report<sup>7</sup>*
- require us to meet the sustainable procurement duty<sup>8</sup>*

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<sup>1</sup> [Procurement Reform \(Scotland\) Act 2014](#)

<sup>2</sup> [Outcome Agreements](#)

<sup>3</sup> [Edinburgh Napier University Strategy 2020, Edinburgh College Strategic Plan 2013-2018](#)

<sup>4</sup> [Procurement Strategy](#)

<sup>5</sup> [Contracts Register](#)

<sup>6</sup> [Regulated contracts](#)

<sup>7</sup> [Annual Procurement Report](#)

<sup>8</sup> [The sustainable procurement duty](#) is a new requirement of the Procurement Reform (Scotland) Act 2014

*This Strategy sets challenging but realistic goals for the development of our procurement activities over the next 19 months which will be subject to regular and transparent review.*

*The successful implementation of this Strategy can only be achieved by all those involved in the procurement of goods and services on behalf of the Member Institutions working in partnership with the ERPT and collaboratively with our partners across the wider education and public sector.*

*Working together we can significantly contribute to the future sustainability of the Member Institutions through the reinvestment of resulting savings and efficiencies from our procurement activities to enhance our students learning experiences and outcomes and meet the aspirations as set out in our Member Institutions, Mission, Vision, Values and Ambitions.*

Andrew Foulner  
Chief Procurement Officer  
ERPT

## 1 Executive Summary

This Strategy has been informed by the Scottish Procurement's statutory guidance<sup>9</sup> under the Procurement Reform (Scotland) Act 2014 with the support of APUC<sup>10</sup>, the procurement centre of expertise for all of Scotland's colleges and universities.

This strategy will, as a minimum, be reviewed annually in compliance with the Procurement Reform (Scotland) Act 2014, thus maintaining the alignment of procurement activity with the broader priorities and allow the Member Institutions where necessary to revise the Strategy and its related Action Plans.

## 2 Strategic Context

This Procurement Strategy provides the framework within which the procurement activities of the ERPT can develop and help support the Member Institutions strategic objectives and outcomes. It can also be understood as a procurement improvements journey based on a clear understanding of where each Member Institution is currently, in terms of procurement practice and where we want and need to be, and how we should get there.

The requirement is to have and maintain a procurement strategy as part of the requirements of the Procurement Reform (Scotland) Act 2014. 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 detailed in section 6 below.

This Strategy recognises that our procurement practice is based on the Scottish Model of Procurement<sup>11</sup> 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 about moving the balance of procurement effort away from the buying or tendering phase and towards a greater emphasis on the

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<sup>9</sup> [Statutory Guidance under the Procurement Reform \(Scotland\) Act 2014](#)

<sup>10</sup> [APUC \(Advanced Procurement for Universities and Colleges\)](#)

<sup>11</sup> [The Scottish Model of Procurement](#)

planning and post contract phases of procurement. Included in this is an increasingly greater engagement with our stakeholders both internal and external.

### **3 Procurement Mission**

Our procurement mission is to support the Member Institutions wider missions<sup>12</sup> by enabling and supporting the Members in achieving value for money through continually improving our sustainable procurement practice.

The ERPT 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. Effective procurement will support the key institutional objectives across these important operational dimensions

### **4 Procurement Policy**

Each Member Institution has their own Procurement Policy which sets out the operational framework of how they conduct procurement. They are largely based on the Scottish Government's Procurement Journey<sup>13</sup> and broadly aligned across Members. This will facilitate our regulated procurements being conducted in accordance with best practice in a legally compliant manner that is consistent with the rest of the Scottish public sector in achieving value for money for our stakeholders.

Policy is essentially about maintaining the integrity of process and combined with this Strategy will set out the ERPT's strategic approach to procurement.

### **5 Strategic Procurement Objectives**

Our strategic procurement objectives as defined below form the core of our Procurement Strategy. Each objective is mapped to the five strategic areas defined by the PPRB<sup>14</sup> ; Sustainability, Access, Efficiency and collaboration, Savings and benefits and Capability which in turn have been aligned with SFC's Strategic Aims<sup>15</sup> as further detailed in the Member Institutions Outcome Agreements:

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<sup>12</sup> Edinburgh Napier University Mission, Edinburgh College Mission

<sup>13</sup> [Scottish Government's Procurement Journey](#)

<sup>14</sup> See "[Transforming Procurement, Accelerating Delivery](#)" pages 5 and 6 - Areas for Further Work: Phase Three "The Public Procurement Reform Agenda: 2014 – 17"

<sup>15</sup> [Outcome Agreements](#)

## Appendix 1: SPO Mapping Table

### **Strategic Procurement Objective 1**

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.

### **Strategic Procurement Objective 2**

To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective and co-ordinated purchasing effort within the ERPT Member Institutions.

### **Strategic Procurement Objective 3**

To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.

### **Strategic Procurement Objective 4**

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

### **Strategic Procurement Objective 5**

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 a fair and transparent process.

### **Strategic Procurement Objective 6**

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

These objectives are measured and supported in two ways; through Member Institutions involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP)<sup>16</sup> and through the publication of an Annual Procurement Report (section 7).

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<sup>16</sup> [PCIP](#) focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver and replaces the previous Procurement Capability Assessment regime.

## 6 Compliance with the general duties and specific measures of the Procurement Reform (Scotland) Act 2014

**6.1 Introduction** – as required by the Act the ERPT Member Institutions must comply with a small number of general duties and some specific measures which will be embedded in Procurement Policy but for clarity and to ensure full compliance with the Act are stated below:

**6.2 Contribute to the carrying out our function and the achievement of our purposes** – the ERPT will analyse the Member Institutions third party expenditure, identify ‘EU regulated procurements’ [Goods and Services currently worth more than £164,176 and Works worth more than £4,104,394 (EU Thresholds that apply to the College as an “other public sector contracting authority”)]<sup>17</sup> and ‘lower value regulated procurements’ [Goods and Services worth more than £50,000 and Works worth more than £2 million (Procurement Reform Act 2014)]<sup>18</sup>.

In addition, the ERPT will sort regulated procurements into procurement categories and give consideration to appropriate and effective consultation that aligns individual procurement strategies with the ERPT Member Institutions own aims and objectives and in turn their contribution to the National Outcomes as detailed in the Member Institutions Outcome Agreements.

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

**6.3 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.

ERPT Member Institutions through their Procurement Policies and practice will seek to consistently apply the above principle albeit the balance of cost, quality and sustainability will vary for a regulated procurement depending on the particular commodity, category and market.

The ERPT will consider the use of whole-life costing of what is being procured, where appropriate, and when applying the above principle of value for money, ensure that it does so in a clear, transparent and proportionate manner; in line with

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<sup>17</sup> EU Thresholds subject to review every two years – current thresholds valid until 31<sup>st</sup> December 2017

<sup>18</sup> Scottish lower value regulated threshold subject to periodic review by the Scottish Government

the Treaty on the Functioning of the European Union of equal treatment, non-discrimination, transparency, proportionality and mutual recognition and in complying with the general duties<sup>19</sup> of the Act as well as the sustainable procurement duty – see 6.6 below

**6.4 Treating relevant economic operators equally and without discrimination** - The ERPT will conduct all of its regulated procurements in compliance with the principles of the Treaty on the Functioning of the European Union<sup>20</sup>; 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 free to access portals such as Public Contracts Scotland<sup>21</sup> (PCS) and Public Contracts Scotland-Tender<sup>22</sup> (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.

**6.5 Acting in a transparent and proportionate manner** – the ERPT will ensure it engages widely with its local supply market on an ongoing basis and though the College’s Procurement Policy will mandate the use of clear and precise language in its specifications and ensure contracts are awarded using appropriate quality, risk and sustainability factors as well as cost according to declared score weightings specific to each contract.

The ERPT will actively take steps to make it easier for smaller and local businesses to bid for contracts through: the use of Public Contracts Scotland and Quick Quotes, the provision of training and/or provide information on third party training opportunities<sup>23</sup> to build suppliers capacity to better navigate the public tender process and by 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 ERPT Member Institutions 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

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<sup>19</sup> [Section 8 Procurement Reform \(Scotland\) Act 2014](#)

<sup>20</sup> [Principles deriving from the treaty on the functioning of the European Union](#)

<sup>21</sup> [Public Contracts Scotland](#)

<sup>22</sup> [Public Contracts Scotland - Tender](#)

<sup>23</sup> [Supplier Development Programme](#)

and in so doing benefit not only the Member Institutions but the wider Edinburgh and Lothians region.

To support compliance with the duty the ERPT will endeavour to make use available tools and systems<sup>24</sup> where relevant and proportionate to the scope of the procurement such as the Scottish Public Procurement Prioritisation Tool, the Sustainability Test, Life Cycle Impact Mapping, the Scottish Flexible Framework as well as APUC's<sup>25</sup> Code of Conduct and Sustain.

**6.7 Policy on the use of community benefits** – the ERPT will consider for each of its procurements over £4m<sup>26</sup> how it can improve the economic, social or environmental wellbeing of the Edinburgh and Lothian region through the inclusion of community benefit clauses<sup>27</sup> aligned with the Member Institutions own strategic outcomes as well as a number of the Scottish Government's National Outcomes<sup>28</sup> namely outcomes 2, 3, 4 and 7; namely (2) We realise our full economic potential with more and better *employment opportunities* for our people; (3) We are better educated, more skilled and more successful, renowned for our *research and innovation*, (4) Our young people are successful learners, confident individuals, effective contributors and responsible citizens and (7) We have tackled the significant inequalities in Scottish society.

Examples of the scope of community benefits clauses will include the delivery of training opportunities or subcontracting opportunities within the Edinburgh and Lothian Region relevant and proportionate to the particular procurement. The College will strive to engage with internal stakeholders including students where relevant as well engage with the local and wider supplier community to ensure suppliers understand the use of community benefits and how to respond where they are included. 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 ERPT will take note of available good practice/principles of engagement including those detailed in the National Standards for Community Engagement<sup>29</sup> as well as ensuring procurement staff have or will be developed to have the relevant communication and engagement skills. The ERPT will consider each procurement, the community affected by the resultant contract and ensure any affected organisations/persons are consulted (e.g. impact on service for students, or a local

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<sup>24</sup> [Sustainable Procurement Processes \(section 3.4.1 Statutory Guidance](#)

<sup>25</sup> [APUC toolset for sustainability](#)

<sup>26</sup> [Section 25\(1\) community benefit requirements in major contracts](#)

<sup>27</sup> [Community Benefit Clauses](#)

<sup>28</sup> [National Outcomes](#)

<sup>29</sup> [National Standards for Community Engagement](#)

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 Member Institutions procurement practice.

**6.9 The living wage** – the Member Institutions recognise the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. In compliance with the Act the ERPT will consider, before undertaking a 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<sup>30</sup> including the application the living wage.<sup>31</sup>

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

The Member Institutions are 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 ERPT will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the ERPT also seek to assess the compliance of subcontractors.

**6.11 The procurement of fairly and ethically traded goods and services** - The Member Institutions support the sourcing of goods that are fairly and ethically traded.

Where directly relevant it shall make use of appropriate standards and labels in its 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.

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

The Member Institutions 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.

The ERPT 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

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<sup>30</sup> [Statutory Guidance on the Selection of Tenderers and Award of Contracts - Addressing Fair Work Practices, including the Living Wage, in Procurement](#)

<sup>31</sup> [Scottish Living Wage](#)

good practice and guidance such as “Catering for Change – Buying food sustainably in the public sector”<sup>32</sup>

**6.13 Payment terms** - The Member Institutions 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.

The Member Institution will comply with the Late Payment legislation<sup>33</sup> 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 ERPT will publish an Annual Procurement Report as soon as practicable after the Member Institutions 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.

### 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 ERPT 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

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<sup>32</sup> [Catering for Change – Buying food sustainably in the public sector](#)

<sup>33</sup> [The Late Payment of Commercial Debts \(Scotland\) Regulations 2015](#)

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 ERPT expects to commence in the next two 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 Member Institutions with respect to their procurement activities and the Member Institutions will also consider including:
  - What it has learned from its consultation and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views
  - What it is doing to improve its performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since its last report; and
  - How it is working with other bodies – for example procurement centres of expertise – to maximise effectiveness and efficiency.

The ERPT 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 Member Institutions performance.

## 8. Strategic Ownership and Contact Details

Andrew Foulner  
Chief Procurement Officer  
Edinburgh Region Procurement Team

0131 455 6420

[AFoulner@apuc-scot.ac.uk](mailto:AFoulner@apuc-scot.ac.uk)

# Appendix 1 – SPO Mapping Table

SFC Strategic Aim	National Measures																	Phase 3 Reform Objectives					ERPT Strategic Procurement Objectives					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Sustainability	Access	Efficiency and Collaboration	Savings and benefits	Capability	SPO1	SPO2	SPO3	SPO4	SPO5	SPO6
Universities	Aim 1: Improve access to higher education for people from the widest possible range of backgrounds	●	●	●	●														●				●	●			●	
	Aim 2: High quality, efficient and effective learning – learner journeys are short, efficient and effective as possible and learners experience the highest quality of learning and teaching and achieve successful outcomes						●	●														●						●
	Aim 3: Right learning in the right place – secure coherent provision of higher education in Scotland in line with SFC’s statutory obligation								●										●			●	●				●	●
	Aim 4: A developed workforce – learners who have the skills, knowledge and entrepreneurial spirit to get a job and progress their career; and institutions that respond to the skills needs of the economy locally and nationally									●								●										●
	Aim 5: A research base that is internationally competitive and improving its reputation and standing in the world										●	●	●					●				●						●
	Aim 6: University-industry collaboration – deliver a step-change in the engagement of business and industry with universities, removing any barriers to the exploitation of research for economic and wider societal benefit													●	●			●			●	●	●	●	●	●	●	●
	Aim 7: Sustainable institutions – ensure high quality of governance and management for institutions delivering long-term and financial and environmentally sustainable interactions														●	●		●		●	●	●	●	●	●	●	●	●
Colleges	Aim 1: Efficient regional structures - To deliver efficient regional structures to meet the needs of the region.	●															●		●	●		●	●	●	●	●	●	●
	Aim 2: High quality & efficient learning - To ensure that learner journeys are as short, efficient and effective as possible and that learners experience the highest quality of learning and teaching and achieve successful outcomes.										●	●									●				●		●	
	Aim 3: Access for people from the widest range of backgrounds - To improve access to further and higher education for people from the widest possible range of backgrounds.				●	●	●	●	●	●								●				●	●				●	
	Aim 4: Right learning in the right place - To secure coherent provision of further and higher education in Scotland.	●	●	●														●			●	●			●	●	●	●
	Aim 5: A developed workforce - To provide learners with the skills and knowledge they need to get a job or get a better job, keep a job and develop a career.												●	●	●		●								●		●	
	Aim 6: Sustainable institutions - To secure, well-managed and financially and environmentally sustainable colleges.	●															●		●	●		●	●	●	●	●	●	●