

# Procurement in SCRA

## Corporate Procurement Strategy 2016 – 20

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## **FOREWORD BY CHIEF EXECUTIVE**

Effective and efficient procurement is very important to all public bodies and SCRA is no different in that regard. This strategy, which has been reviewed and approved by SCRA's Board, sets out how our procurement work in SCRA will benefit Localities and Head Office by ensuring that the goods and services that we consume and rely on in our day to day work represent the best value in terms of quality and price.

As Accountable Officer for SCRA I have a specific responsibility to ensure that procurement activity is carried out in accordance with the requirements set out in the Procurement section of the Scottish Public Finance Manual.

The Head of Finance & Resources is the sponsor of the Procurement Strategy with responsibility for delivering the strategy being with the two Procurement Officers supported by a group of delegated purchasers. The Procurement Officers ensure the delivery of a professional and flexible procurement service to both internal managers and external suppliers, and to ensure full compliance with EU and UK Public Sector regulations. The team are also supported by a Contracts Review Group which has a membership drawn from across the organisation.

The Procurement Officers ensure that the services SCRA sources and purchases are safe for children, young people, their families and our staff to use, are provided by organisations that can demonstrate a commitment to our values and commitments under the 2010 Equalities Act and our wider support for fair work and a Scottish Living Wage.

A solid approach to procurement, captured by this strategy, allows Localities and Teams across the country to have the kind of access to specialist support and advice they need, now and in the future, to make wise, best value decisions about goods and services, to benefit from the scale of national contracts and to vision future ways of making things ever more efficient, responsive and adaptable to our changing needs. I know the team will really appreciate you taking the time to consider this strategy and for your continued engagement with them on this important aspect of SCRA's work.

Kind regards



**Neil Hunter**  
**Principal Reporter/Chief Executive**

## **1. INTRODUCTION**

### **1.1 About SCRA**

The Scottish Children's Reporter Administration (SCRA) is a national body focused on children most at risk. SCRA was formed under the Local Government (Scotland) Act 1994 and became fully operational on 1st April 1996. Our main responsibilities as set out in the Act are:

- To facilitate the work of Children's Reporters,
- To deploy and manage staff to carry out that work,
- To provide suitable accommodation for Children's Hearings.

The Children's Hearings System provides the operational setting in which SCRA and its partner agencies work. The aim is to provide a safety net for vulnerable children and deliver tailored solutions which meet the needs of the individuals involved, while helping to build stronger families and safer communities.

## **2. PROCUREMENT VISION**

Our vision for the future is one where the approach to procurement and contract management is fully integrated into our business strategies and a culture of best practice is embedded which will deliver legally compliant procurement processes, ensuring value for money, sustainability, quality services and continuous improvement.

## **3. STRATEGIC CONTEXT**

The SCRA Corporate Plan 2017-20 sets out the changing environment in which the organisation will operate in the next three years, including the Scottish Government's Child Protection Improvement Programme, the review of the Blueprint for the Processing of Children's Hearings Cases, the Scottish Government's Public Service Reform agenda and the independent review of how Scotland treats its looked after children.

The procurement strategy will support delivery of the Corporate Plan's aims and objectives and will ensure compliance with procurement legislation and guidance including:

- Procurement Reform (Scotland) Act 2014;
- Procurement (Scotland) Regulations 2016;
- Public Contracts (Scotland) Regulations 2015;
- Concessions Contracts (Scotland) Regulations 2016;
- Scottish Public Procurement Policy notes;
- Case Law; and
- SCRA Procurement Policy and Guidance

SCRA Procurement follows the "Scottish Model of Procurement" using the Scottish Government's Procurement Journey as the basis for our policy and procedures.

## **4. STRATEGIC AIMS & KEY PRIORITIES**

The principal aims of SCRA Procurement are to:

- Deliver a professional and flexible procurement service to both internal managers and external suppliers, ensuring that SCRA receives best value for money in the procurement of all goods, services and works in order to deliver an effective and efficient service to children and families.
- Ensure full compliance with EU & UK Public Sector regulations giving due regard to SCRA's needs and requirements to ensure operational effectiveness is maximised.
- Ensure SCRA's procurement practices contribute to the Scottish Government's objective for sustainable economic growth and contribute to the achievement of relevant National Outcomes.

### **4.1 Priority one: addressing Fair Work Practices, including the Living Wage, in Procurement**

In accordance with the new Statutory Guidance for Addressing Fair Work Practices, including the Living Wage, in Procurement, SCRA will now consider, before undertaking a procurement exercise for regulated procurements and EU-regulated procurements whether it is relevant and proportionate to include a question on fair work practices as part of the competition.

### **4.2 Priority two: working with Suppliers (Including SME's, Supported Businesses & Third Sector)**

To ensure transparency and to assist prospective suppliers, existing suppliers and other stakeholders, SCRA has a section for Procurement on the corporate website, [www.scra.gov.uk](http://www.scra.gov.uk), where SCRA publish the Strategy, Procurement Policy and standard Terms & Conditions and has a link to SCRA's profile on Public Contracts Scotland and a commitment to the Scottish Government's Suppliers Charter. This information will help suppliers to forecast when contracts will be procured and assist them in bidding for SCRA work.

SCRA is committed to reviewing and updating Procurement Policies and procedures to ensure that SCRA contributes to improving social, economic and environmental wellbeing where relevant in our contracts. This ongoing review will ensure that SCRA remains an inclusive organisation and encourages a diverse range of suppliers including SME's, Supported Businesses and the Third Sector. SCRA's tender strategies are designed to promote SME participation wherever possible and tender documentation is written in a manner which is easier to understand.

SCRA will continue to identify and reserve appropriate contracts for Supported Businesses.

SCRA has signed up to the Supplier's Charter. Further information about this and practical information for suppliers on bidding for public sector contracts can be found using this [link](#).

#### **4.3 Priority three: implementing Community Benefit Requirements**

SCRA will consider community benefit clauses within procurement exercises where relevant and proportionate to the contract, and ensure that such clauses are considered within all goods and services contracts over £50k in value. Community Benefits are extremely varied, and can range from training opportunities such as apprenticeships, to promoting careers to school children from disadvantaged areas.

In line with the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, we consider equality throughout tender processes and comply fully with legislation. Where relevant and proportionate, suppliers are required to provide details of any equality policies and systems that they have in place and that will be utilised when delivering the contract. This is further addressed in SCRA's standard Terms & Conditions.

Also addressed in SCRA's standard Terms & Conditions is the Employment Relations Act 1999 (Blacklists) Regulations 2010 which addresses blacklisting activities. This is also covered in pre-qualification documentation.

#### **4.4 Priority four: realising Sustainability**

In response to the Sustainable Procurement Duty included in the Procurement Reform (Scotland) Act 2014 SCRA will update the Procurement Policy to set out how SCRA will meet this duty including adopting best practice, meeting legal and financial obligations, securing wider economic, social and environmental benefits and encouraging the procurement of low carbon options to support the development of a low carbon economy.

SCRA will continue to consider the whole life cost and environmental impact of construction projects as appropriate, encouraging recycling and the reuse of materials through waste management plans in order to minimise waste to landfill, look to the use of low energy equipment and environmentally friendly chemicals, and maximise use of materials from sustainable sources in accordance with government buying standards.

Further, SCRA will procure fairly and ethically traded goods and services in accordance with current legislation.

#### **4.5 Priority five: continuous improvement**

Procurement Officers have developed contract management guidance and training has been provided to all staff responsible for managing contracts. However, it is clear that further work is required to strengthen contract management practices. Further training for staff will be provided and tools and techniques will be developed to support better management of contracts and suppliers.

SCRA's Contracts Review Group meets quarterly with the aim of supporting the Procurement Team in ensuring SCRA receives best value for money in terms of cost, quality and sustainability whilst meeting legal obligations. The Group reviews current and future contract requirements, challenges the need for contracts and identifies areas where savings and benefits can be achieved.

SCRA Procurement work closely with the Scottish Government's Procurement Team and other public sector organisations. SCRA collaborate with other public sector organisations through membership of a multi-agency Cluster Group which facilitates the sharing of knowledge, encourages partnership working and assists the group so that the public sector can deliver value for money, pool resources and expertise and better meet the needs of their internal customers. SCRA has participated and will continue to participate in the use of Scottish Procurement collaborative frameworks as a representative of public sector organisations. SCRA has undertaken collaborative procurement with other organisations including Children's Hearings Scotland, Historic Environment Scotland and National Museums.

#### **4.6 Priority six: ensuring Health & Safety**

SCRA has a comprehensive Health & Safety Policy in place. Health and Safety Policies and associated information are requested where relevant from suppliers as part of the procurement process. Further health and safety policies are covered in SCRA's standard terms and conditions to ensure that suppliers comply with all relevant regulations and best practice.

#### **4.7 Priority seven: Consultation & Engagement**

SCRA will consult and engage with those affected by its procurements through the Contracts Review Group and User Intelligence Groups and where relevant and proportionate will engage with the wider community prior to individual regulated procurements.

### **5. SPEND ANALYSIS & VALUE FOR MONEY**

#### **5.1 Expenditure profile**

The Procurement Team have recently carried out the annual spend review for 2015/16 and have uploaded this information onto the Scottish Government Information Hub (Spikes Cavell). The spend figures are - Contracted Spend £3,662,158 (83%) and Non Contracted £746,318 (17%).

#### **5.2 Ensuring Value for Money**

SCRA Procurement aim to provide a high quality service for internal customers which is responsive, pragmatic, timely and delivers value for money. Value for money is based on the optimum combination of whole life cost and quality to meet the user's requirements. SCRA awards contracts on the basis of the most economically advantageous tender (MEAT) which balances value for money and the required quality of goods, services or works being procured.

Working with Project managers, SCRA Procurement has made a substantial contribution to the Scottish Government efficiency savings target of 3% and continue to provide value for money while maintaining the required quality of service.

SCRA's collaborative savings from the use of Scottish Procurement frameworks has increased from £94k in 2013/14 to £256k in 2015/16. In addition, using these Scottish Government frameworks provides a quicker, compliant procurement

route for Project Managers. SCRA also captures savings from its own procurement exercises and savings of £131k were achieved in 2015/16.

### **5.3 Payment to Suppliers**

SCRA is dedicated to paying suppliers promptly and includes a clause in tender documentation stating that, SCRA's standard payment terms are payment within 30 days, however, where possible, SCRA will endeavour to meet the Scottish Government's payment target of payment within 10 working days of receipt of a valid invoice. SCRA also encourages suppliers to offer the same terms to any sub-contractors used on SCRA contracts.

## **6. PERFORMANCE MONITORING & REPORTING**

The Strategy will be implemented on a day to day basis by the Procurement Officers, supported by Delegated Purchasers and the Contracts Review Group. The priorities set out in the Strategy will be translated into specific actions which will be included in an annual Team Plan.

Scottish Procurement has undertaken a Procurement Healthcheck on SCRA's procurement policies and procedures and the results they deliver. A number of areas of good practice and some areas for improvement were identified and these will be included in Team Action Plans.

The Procurement function is subject to periodic Internal Audit review with any recommendations for improvement considered by the Executive Management Team (EMT) and Audit & Risk Committee (ARC).

The Strategy and Team Plan will be reviewed annually and the outcome of the review will be reported to the EMT and SCRA Board including information on key contracts awarded in the year, annual spend information and changes in legislation. This reporting format will be adapted to ensure the requirements for an Annual Procurement Report are fully met.

## **7. PROCUREMENT PROCEDURES**

SCRA has a range of procurement procedures dependent on the value and nature of what is being purchased:

### **7.1 Non-Regulated Procurement (Below £50k)**

Where SCRA is seeking quotes for commissions below £50,000, invitations to quote will be sent to a minimum of three appropriate suppliers, where possible through the "Quick Quote" section of the national advertising portal, [Public Contracts Scotland](#) (PCS).

SCRA has a Delegated Purchaser based in each Locality and a number based within Head Office teams. Delegated Purchasers have authority to purchase up to a total contract value of £20k using Route 1 of the Procurement Journey. Contract requirements over £20k or of lower value and more complex nature are passed to Procurement Officers to be competed.

## **7.2 Regulated Procurement (Goods & Services over £50k)**

SCRA's policy, where possible, is to advertise tender opportunities over £50,000 on the national advertising portal, [Public Contracts Scotland](#) (PCS). These may also be advertised on SCRA's website, [www.scra.gov.uk](#). Interested suppliers must formally apply for these opportunities through the portal, and applicants will be considered in terms of their capacity and capability to meet SCRA's requirements.

SCRA's Contract Register can be viewed on PCS and interested suppliers can apply to receive automatic notifications of any future SCRA contract opportunities that may be of interest and those of many other Scottish public sector organisations.

During early strategic procurement discussions with Project Managers, options available will be discussed and agreed to ensure the most appropriate route is developed to meet their needs and ensure value for money is achieved. SCRA uses Scottish Procurement frameworks and Crown Commercial Service frameworks where appropriate.

Where there are no appropriate frameworks available, for regulated procurement (over £50k), the Procurement Team work with internal customers to design, develop and procure contracts that are fit for purpose, ensure value for money and are compliant with legislation.

SCRA uses the open process where appropriate for regulated procurements to open up the opportunity to suppliers, in particular, to SME's, and reduce paperwork and timescales.

At the end of each regulated procurement, Procurement Officers complete a Tender Recommendation Report which reviews the procurement exercise and requests approval from the Budget Holder and Principal Reporter/Chief Executive Officer before awarding the contract.

## **7.3 Non-Regulated Works Contracts (Below £2m)**

Although SCRA Works contracts are non-regulated due to the value, where possible SCRA will openly advertise contract opportunities over £100k on Public Contracts Scotland. SCRA's procedure for Works contracts is currently being updated.

## **8. SUPPORTING POLICIES**

The Procurement Strategy is supported by other policies and procedures on:

- Risk Management
- Fraud and Corruption
- Whistleblowing
- Records Management
- Environmental Management
- Health and Safety
- Equality and Diversity
- Gifts, Hospitality and other inducements
- Conflicts of Interest

- Anti-competitive behaviours
- Suppliers Charter

## **9. OWNERSHIP and CONTACT DETAILS**

The owner of the Procurement Strategy will be as follows:

Ed Morrison  
Head of Finance and Resources  
0300 200 1554  
[ed.morrison@scra.gsi.gov.uk](mailto:ed.morrison@scra.gsi.gov.uk)

## Appendix A

### Glossary

Term	Description
<b>CIPS</b>	The Chartered Institute of Purchasing and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management.
<b>Collaboration</b>	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
<b>Commercial Awareness</b>	Evidence of commercial acumen. Awareness of the need for efficiency, cost-effectiveness, customer / stakeholder support, a knowledge of the sector and the services the organisation provides and will provide in the future, considering the strategic objectives, current economic climate etc.. A track record of appropriate procurement skill and experience, evidence of on-going/continual training and development. (desirable and post/org specific) professional qualification / undertaking or willingness to undertake as appropriate.
<b>Contract Management</b>	The process of monitoring the performance of a supplier to contract.
<b>Corporate Social Responsibility</b>	The idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.
<b>DPA</b>	Delegated Purchasing Authority - Is the authority given to an individual to sign-off contracts. It is not to be confused with Delegated Finance Authority as it is important that there is adequate separation of duties between the individual who has finance authority i.e. the budget holder and the individual with purchasing authority i.e. who places the contract.
<b>DPO</b>	Delegated Purchaser Officer - A permanent individual with Delegated Purchasing Authority (DPA).
<b>Framework Agreement</b>	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
<b>Influenceable Spend</b>	The value of Procurement relevant spend which was actually influenced by Procurement.
<b>Key Suppliers</b>	Those suppliers identified as business critical in terms of risk/value and business continuity.
<b>Maverick spend</b>	Purchase orders placed for goods and services not utilising existing frameworks/contracts, unless legitimately endorsed by the local purchasing team and/or where awarded in accordance with corporate procurement policy.
<b>MEAT</b>	The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
<b>OJEU</b>	Official Journal of the European Union.
<b>Open Procedure</b>	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
<b>Procurement Exercise</b>	Full end to end procurement exercise documentation from strategy development to contract & supplier management.

<b>Procurement function</b>	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
<b>Procurement Journey</b>	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools where appropriate to ensure a standardised approach to the supply base.
<b>Procurement Officer</b>	Individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods, works and services; impacting upon commercial relationships during one or more stages of the procurement cycle and contributing towards best practice contract and supplier management.
<b>Procurement strategy</b>	Strategy for procurement within an organisation (can be called policy).
<b>Public Contracts Scotland</b>	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
<b>Restricted Procedure</b>	A two-stage procedure whereby suppliers are required to complete a Pre-Qualification Questionnaire (PQQ) and must satisfy certain selection criteria (the first stage). This process enables the organisation to limit the number of suppliers which are invited to tender (the second stage).
<b>Small Medium Enterprise (SME)</b>	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
<b>Supply Chain</b>	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
<b>Supply Chain Management</b>	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
<b>Supported Business</b>	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
<b>Value for Money</b>	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
<b>Whole Life Costing</b>	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.