

## Board of Management

### Finance & Physical Resources Committee

<b>Date of Meeting</b>	<b>Wednesday 14 September 2022</b>
<b>Paper No.</b>	<b>FPRC1-C</b>
<b>Agenda Item</b>	<b>3.3</b>
<b>Subject of Paper</b>	<b>Procurement Strategy</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Stuart Thompson, Vice Principal Corporate Services</b>
<b>Date of production</b>	<b>5 September 2022</b>
<b>Action</b>	<b>For Approval</b>

#### 1. Recommendations

The committee are asked to review the attached Procurement Strategy for publication on the College Website by the end of September.

The Strategy will also be sent to Scottish Ministers.

#### 2. Purpose

As a requirement of the Procurement Reform (Scotland) Act 2014 the College must publish a Procurement Strategy which sets out how it intends to ensure that its procurement activity achieves value for money and contributes to the achievements of the College's broader aims and objectives, in line with Scotland's National Outcomes.

The attached replaces the Colleges 2020 – 2022 Procurement Strategy.

### **3. Consultation**

The following consultation was undertaken:

- Scottish Government in providing the requirements for the Strategy
- APUC Ltd in creating and providing the best practise template and guidance. Further consultation with the wider HEFE procurement community was carried out regarding performance measures and benchmarking.
- The Vice Principal Corporate Services and the Head of Procurement worked together in developing the content for the Strategy with the Head of Procurement facilitating consultation session with the wider Procurement Team and selected Heads of Departments.
- As the Action Plan closely replicates Procurements Operation Plan, Performance are actively being consulted in the development of the Operation Plan

All outcomes have been adopted with the exception of benchmarking as the sector is currently not set up to facilitate this however is it an action for APUC Ltd for the future.

### **4. Key Insights**

The Procurement Strategy covers the following aspects as required by the Procurement Reform (Scotland) Act 2014:

- Procurements Mission
- Procurement Objectives (taken from the Procurement Operational Plan)
- How we comply with each policy area of the Procurement Reform Act
- Information of the Annual Procurement Report the College publishes each December
- Procurements Action Plan for the Strategy period

### **5. Impact and Implications**

Publishing a Procurement Strategy is a statutory duty. Failure to publish a Procurement Strategy is a direct non-compliance with the requirements of the Procurement Reform (Scotland) Act 2014.



# Procurement Strategy

## 2022 - 2026

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Charity Number: SC0 36198

## **Foreword by Stuart Thompson, Vice Principal Corporate Services**

This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014 and other relevant legislation and is aligned with the College's and the Scottish Funding Council's key strategic outcomes as detailed in our Regional Outcome Agreement and Strategy Plan 2021-2030.

The key elements of the 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

This Strategy sets us challenging but realistic goals for the development of our procurement activities over the next 4 years which will be subject to regular and transparent review.

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 College working in partnership with our Procurement Department and collaboratively with our partners across the wider education and public sector.

Working together we can significantly contribute to the future sustainability of the College 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 Purpose, Our Way and Our Values by 2030.

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## **1 Executive Summary**

The City of Glasgow College Procurement Strategy, which is aligned with the Colleges Strategic Plan and Supporting Strategies, established collaborative initiatives and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014, was approved by the College's Finance and Physical Resources Committee 14<sup>th</sup> September 2022 and published on XX September 2022. The approved Strategy is the culmination of consultation and engagement with different stakeholder groups affected by the Colleges approach to procurement. Through this consultation, the Strategy benefits from exposure to both internal and external scrutiny. This strengthens the understanding of the Strategy and the prospect of achievement of its policies, aims and objectives.

A successful shared strategic focus is built upon an alignment of perceptions and understanding around what the College needs from a well performing procurement process that is consistent with the strategic aims and objectives of the College. That focus also needs to take proper cognisance of the environments within which the College operates to ensure that external drivers and influences for improvement are addressed appropriately.

## **2 Strategic Context**

The Procurement Strategy, used in conjunction with the institutional Procurement Policy, sets out the strategic institutional approach to procurement within the challenging economic, legislative and regulatory environment. The Action Plan element of the Strategy translates the strategic objectives and desired outcomes into the detailed actions and processes required to maintain a cost-effective (and legally compliant) College procurement operation. It is relevant to all staff involved in buying goods and services on behalf of the College, including management staff responsible for authorising and monitoring transactions.

### **3 Procurement Mission**

City of Glasgow College is committed to maximising value for money in all its transactions, and in conducting its daily business, staff must always consider the College's wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective procurement will support the Colleges Strategic Plan.

### **4 Procurement Objectives**

The Procurement Team will consider how to incorporate the Colleges value throughout procurement process where relevant and proportionate to do so to support the strategic vision.

The Procurement Key Operational Objectives are to:

- Ensure compliance with Policy and Legislation.
- Successful award all contracts within the Future Tender Plan.
- Work with internal stakeholders to communicate procurement policy and deliver innovation and best value to the College.
- Enrich and enhance experience and capability of procurement practitioners by identifying professional development requirements and opportunities.
- Effectively manage Contracts to ensure continued value, monitor performance and minimise risk throughout the life of contracts for the benefit of the College and students.
- Promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.
- Eliminate non-compliant spend in line with the Board of Managements zero tolerance policy.
- Embed sound environmental ethical and social policies within the College procurement procedures and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.
- Continue to provide and support a fully functional ePurchasing System.

- Continuously development and improve the procurement function.
- Enhance the Student Experience through procurement practises.
- Work with external stakeholders to share best practise and deliver innovation and best value to the College.

## 5 Compliance with the Procurement Reform (Scotland) Act 2014

The following statements confirm, as is legally required, the College’s commitment to adhering to the requirements of the procurement Reform (Scotland) Act. The College considers that these legal requirements strongly and positively align with the College’s desire to procure in an appropriate, effective and sustainable manner.

<b>Policy Area</b>	<b>College approach</b>
<i>The use of community benefits requirements and Fair Work First, including payment of the Real Living Wage</i>	<p>The College will consider for each of its procurements over £4m how it can improve the economic social or environmental wellbeing of the Glasgow Region. This will be achieved through the inclusion of community benefit clauses, to assist with the Colleges own strategic objective to pursue community benefits throughout our supply contracts and develop an approach with our suppliers to facilitate investment in activities which are climate and socially responsible.</p> <p>Such improvements could be implemented through mandated delivery of training opportunities or subcontracting opportunities within Glasgow. Where possible and proportionate, such clauses may be included in procurements below £4m.</p> <p>The College recognises the values of a well-motivated and dedicated workforce both in its own organisation and in its suppliers. As a Living Wage employer, the College encourages the commitment to Fair Work First from its suppliers, including the promotion of the Real Living Wage (Scotland) and where appropriate commitment to the Scottish Business Pledge.</p>
<i>Consulting and engaging with those affected by our procurements</i>	<p>The College is working towards increasing the visibility of procurement and the importance of the department’s role. Raising the profile of the department and the service provided by actively engaging with both internal and external stakeholders.</p> <p>From each procurement, the College will consider the community affected by the resultant contract and ensure any affected department/organisation/persons are consulted (e.g., impact on service for students, or a local contract that could be combined with other</p>



	similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question.
<i>Promoting compliance by contracts and sub-contractors with the Health &amp; Safety at Work etc. Act 1974 and any provision made under that Act</i>	The College supports the coursing of goods that are fairly and ethically traded. Where relevant it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations and will consider equivalent offerings from suppliers in its tenders. The College's Procurement 'Supply Change Code of Conduct' is embedded within tender documents and the Supplier adoption process.
<i>Procurement of fairly and ethically traded goods and services</i>	The College 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 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.
<i>Our approach to regulated procurements involving the provision of food in order to:</i> <ul style="list-style-type: none"> <li>• <i>Improve the health, wellbeing and education of communities in our area</i></li> <li>• <i>Promote the highest standards of animal welfare</i></li> </ul>	The College 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 College will work with our catering partners to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services.
<i>Ensuring that, so far as is reasonably practicable, the following payments are made no later than 30 days after the invoice (pr similar claim) relating to the payment is presented:</i> <ul style="list-style-type: none"> <li>• <i>Due by the authority to a contractor</i></li> <li>• <i>Due by a contractor to a sub-contractor</i></li> <li>• <i>Due by a sub-contractor to a sub-contractor</i></li> </ul>	The College 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 College 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.

<p><i>Ensuring that our regulated procurements will be carried out in compliance with the sustainable procurement duty and to support sustainable economic recovery</i></p>	<p>The College will undertake regulated procurements in compliance with the sustainable procurement duty. It will also seek to take account of climate and circular economy in its procurement activity. Consideration of environmental, social and economic issues and how benefits can be delivered through the procurement will be made, where appropriate and on a contract-by-contract basis. The College will utilise available tools and systems such as Scottish Government Procurement Tools, Climate Change Actions Plans (FNT2030), and Electronics Watch where relevant and proportionate to the scope of the procurement.</p> <p>The College published its Modern Slavery and Human Trafficking Statement and reviews it annually to comply with the Modern Slavery Act 2015.</p>
<p><i>Contribution to the global climate emergency response – and report progress in their annual procurement report</i></p>	<p>In response to the global climate emergency the College will align corporate commitments to work towards net zero greenhouse gas emissions framework agreements wherever possible.</p> <p>The College has a strong focus on supporting responsible procurement, in particular on climate and circular economy. The College will seek to support circular economy and promote strategic decisions on demand management and procuring for re-use, re-design and remanufacture. It will prioritise where greatest impact can be made.</p> <p>The College will seek to monitor and report progress through the annual procurement report and Public Bodies Climate Change Duties (PBCCD) Annual Report.</p>
<p><i>Ensuring that our regulated procurements will contribute to the carrying out of our functions and achievement of our purpose, and will deliver value for money</i></p>	<p>The College will analyse third party expenditure, identify Government Procurement Agreement (GPA) regulated procurements' (goods and services worth more than £189,330, works worth more than £4,733,252) and 'lower value regulated procurements' (goods and services worth more than £50,000, works worth more than £2 million).</p> <p>The College will sort regulated procurements into procurement categories. How these goods and services are bought – joint purchasing, use of local, regional and national framework agreements, consolidated contracting – will be reviewed annually, optimal category strategies agreed, sensible aggregation opportunities identified, category, commodity and contract strategies developed and recorded and the most appropriate procurement routes to market chosen. This will be done in consultation with key internal stakeholders to ensure that the best departmental and organisational aims and objectives are achieved.</p>
<p><i>Ensuring that our regulated</i></p>	<p>The College will conduct all regulated procurements in compliance with the GPA principles of non-discrimination, fairness and transparency and</p>

<p><i>procurements will be carried out in compliance with our duty to treat relevant economic operators equally and without discrimination</i></p>	<p>will utilise eSourcing platforms including Public Contracts Scotland and Public Contracts Scotland-Tender to publish its procurement opportunities. The College will ensure that it awards regulated procurements only to businesses (and sub-contractors) that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards in the conduct of their business.</p>
<p><i>Ensuring that that our regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner</i></p>	<p>In making regulated procurement contract awards, quality, risk and sustainability factors will be considered along with cost according to declared score weightings on a contract -by-contract basis. The College will make appropriate use of collaborative contracting arrangements (e.g., national, sectoral or local framework agreements or contracts) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.</p> <p>The College will take steps to make it easier for smaller businesses to bid for contracts. Whilst legislative constraints preclude preferences for only local suppliers, the College will ensure that through the structure of its tender documentation, the use of Public Contracts Scotland and Public Contracts Scotland – Tender, and the publication of a contracts register to highlight contracts for which local organisations may be interested in bidding for, provides information to smaller, local providers and assists them to build capacity to be able to bid for these requirements.</p>

## 6 Annual Procurement Report

The College will produce a report on progress against these objectives annually and publish this on the Colleges website. This report, produced as soon as practicable after the end of the financial year, will describe how the College has discharged its obligations under the Procurement Reform (Scotland) 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.

The Annual Report will include commentary on the subject matters covered by the 11 statements as set out in table within section 5 above. The commentary will be supplemented by the data required by the Annual Procurement Report template and a summary of the regulated procurements that the College expects to commence in the next two financial years.

## 7 Procurement Action Plan

Strategic Alignment		Operational Delivery		Delivery Ambition
Strategic Plan Priority	Supporting Strategy	Key Operational Objective	Specific Actions to Achieve Objective	Key Performance Indicators
Student	Student Academic Experience	Enhance the Student Experience through procurement practises	1. Provide annual opportunities for Work Experience placement to Supply Chain Management Students to assist in their Graded Unit.	No. of work experience placement delivered
			2. Maximise Student Benefits within contracts where appropriate i.e., work placements, apprenticeships, toolbox talks etc.	No. of student benefits within contracts
			3. Procure 'best in industry' equipment and supplies for courses by ensuring student needs are reflected within tender scope of requirements.	Output summary from annual internal feedback
Growth & Development	People and Culture	Enrich and enhance experience and capability of procurement practitioners by identifying professional	1. Conduct annual personal development reviews	
			2. Create annual training plans	% of Procurement staff to have undertaken formal

		<b>development requirements and opportunities.</b>		training & development in the past year
			3. Positively encourage all procurement staff in the completion of CIPS qualifications.	% of Procurement staff holding the necessary level of CIPS qualification: Assistant - Level 2 Coordinator - Level 4 Head of Procurement - MCIPS
			4. Development Procurement Manual for procurement professionals	
			5. Management absence levels within the procurement department	Staff absence rate
<b>Performance &amp; Processes</b>	Sustainability	<b>Effectively manage contracts to ensure continued value, monitor performance and minimise risk throughout the life of contracts for the benefit of the College and students.</b>	1. Maintain a robust Contract Management Process and provide guidance and support to all relevant internal stakeholders to assist them in the Contract Management Process.	
			2. Embed Contract Management, KPI's and SLAs within supplier contracts where relevant, monitoring these through the life of the contract.	% of managed and strategic contracts

			3. Conduct regular contract management meeting and monitoring for all strategic contracts. Obtaining feedback from all involved.	Output summary from annual external feedback
			4. Explore available Contract Management Systems and create a business case for implementation.	
<b>Performance and Processes</b>	People and Culture	<b>Work with internal stakeholders to communicate procurement policy and deliver innovation and best value to the College.</b>	1. Ensure the most up to date versions of Procurement policy, procedures, process and templates are available on the college intranet.	
			2. Review, update and promote the online Procurement Awareness module	% of requisitioners/approvers who have successfully completed the Procurement Awareness module
			3. Deliver biannual face-to-face, up-to-date, appropriate and relevant training/workshops to all staff involved in purchasing/procurement process.	% of staff who have completed procurement training
			4. Quarterly engagement meetings with Heads of Departments to promote procurement, identify opportunities and increase compliance	No. of meetings held with Heads of Departments expressed as a %

<b>Performance &amp; Processes</b>	Student Academic Experience People and Culture Sustainability Digital Corporate Development	<b>Ensure compliance with Policy and Legislation</b>	1. Timely implement all Scottish Procurement Policy Notices (SPPN) to ensure compliance with procurement regulations	% of SPPN's implemented within 6 months
			2. Annually publish the Procurement Strategy on College website and notify Scottish Ministers.	Procurement Strategy published or reviews by September each year
			3. Publish Annual Procurement Report including 24-month future tender plan on college website and notify Scottish Ministers.	Annual Procurement Report published in December each year
			4. Maintain or enhance current score in the PCIP's performance assessment.	Maintain Gold status
			5. Embed new legislation regarding Prompt Payment into the tender process and contract management process	
<b>Performance and Processes</b>	Student Academic Experience People and Culture Sustainability Digital	<b>Successful award all contracts within the Future Tender Plan</b>	1. Ensure the Future Tender Plan is accurate and includes all departments requirements	No. of contracts awarded % against planned
			2. Communicate the Future Tender plan at all Departments	

	Corporate Development		3. Liaise with all relevant stakeholder	No. of meetings held with Heads of Departments expressed as a %
			4. Ensure compliant route to market	% of regulated non-compliant spend
Performance and Processes	Digital	Continue to provide and support a fully functional ePurchasing System	1. Provide quarterly PECOS Training to all new requisitioners and budget managers and refresher training.	% of PECOS users trained
			2. Ensure the system approval hierarchy is reflective of the organisations structure to ensure compliance with Financial Regulations (Biannual)	No negative feedback or fundamental weaknesses found in the audit report
			3. Annually review, update and communicate all ePurchasing processes and communicated	Quantity and value of orders raised
			4. Review all non-contracted purchases to ensure compliance with Procurement Policy	% of regulated non-compliant spend
			5. Monthly maintain and communicate an up-to-date Supplier Directory	% of contract coverage (spend influenced by Procurement)
			6. Increase catalogue content for high transactional and strategic suppliers.	No. of purchasing catalogues



Performance and Processes	Student Academic Experience People and Culture Sustainability Digital Corporate Development	Continuously development and improve the procurement function	1. Move to a Category Management Structure	No. of Category Co-Ordinators in post
			2. Review all standardised documentation and terms and conditions	
			3. Review all forms to explore to option to move to digital forms - SAP, 3QC, SSJ etc.	No. of forms digitalised in the year
			4. Review and explore low value purchasing process with the view to increase limits	Reduce the number of low value (under £5k) purchases order requiring pre vetting by procurement
			5. Finalise and communicate Procurement Service Level Agreement	Communicate at HoD meetings and on the college intranet
			6. Create performance measures and benchmarking	Use of BPI's
Finance	Sustainability	Work with external stakeholders to share best practise and deliver innovation and best value to the College.	1. Maintain website guidance/advice for suppliers and potential suppliers on doing business with the College	Website reviewed and completely up to date
			2. Promote future contracting opportunities to suppliers and potential suppliers via the Annual Procurement Report.	Annual Procurement Report published in December each year

			3. Engage with Procurement Centres of Expertise i.e. APUC, Scottish Procurement etc. to share best practise and remain up to date with legislative changes and government requirements.	Ensure attendance of PSG-C and CoE Working groups
			4. Contribute to external procurement and best practise working group as a representative of CoGC and the HEFE Sector	No. of external working groups with CoGC membership
<b>Finance</b>				
	Student Academic Experience People and Culture Sustainability Digital Corporate Development	<b>Embed sound environmental ethical and social policies within the College procurement procedures and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty</b>	1. Support annual review/update of Modern Slavery statement.	Modern Slavery statement reviewed and updated annually
			2. Ensure compliance with Supply Chain Code of Conduct for suppliers with contracts > than £50k	No. of suppliers who have signed our Supply Chain Code of Conduct
			3. Align SDG's to tenders/contracts	No. of contracts with SGD alignment
4. Ensure contracts are accessible and promote opportunities to SME's, Supported Business and 3rd Sector Organisations.			Spend with SME's, Supported Business and 3rd Sector Organisations	

			5. Embed initiative within contracts to help support and deliver the Colleges and Scotland's net-zero carbon target.	No. of contract with Sustainable outcomes embedded i.e., economic viability, environmental protection and/or social equity  A register of outcomes will also be maintained
			6. Train all procurement and non-procurement staff on Climate Change, Circular Economy and the completion of Climate Change Actions Plans	No. of staff trained on Climate Change, Circular Economy and the completion of Climate Change Actions Plans, specific to procurement
			7. Communicate the use of Climate Change Action Plans and our ambition to reduce scope 3 emission to non-procurement staff	
			8. Complete climate action plans (on scope 3 emissions) for IT, Food, Travel and Hair & Beauty, creating and monitoring targets. These plans will be published in our Procurement Strategy and Annual Report.	No. of active Climate Change Action Plans No. of contracts covered by a Climate Change Action Plan
Finance				
	Sustainability	<b>Promote the delivery of value for money through good procurement practice</b>	1. Increase contract coverage and reduce maverick spend	% of contract coverage (spend influenced by Procurement)

		<b>and optimal use of procurement collaboration opportunities.</b>	2. Scrutinise annual expenditure analysis to improve use of Cat A, B and C1 collaborative contracts	Collaborative uptake %
			3. Conduct annual spend analysis	
			4. Promote the use of existing contracts and Frameworks	Collaborative uptake %
			5. Working with internal stakeholder to refine requirements and identify efficiencies with an aim of achieving savings for the College	Annual cash savings achieved Annual efficiency saving achieved
			6. Improve planning, tracking and reporting of cost savings with a focus on increased cost savings year on year	Annual cash savings achieved
<b>Finance</b>				
	Sustainability	<b>Eliminate non-compliant spend in line with the Board of Managements zero tolerance policy</b>	1. Quarterly review College expenditure data to identify and eliminate non-compliant spend	% of regulated non-compliant spend

## 8 Document Control and Review

<b>Approval Status</b>	
<b>Approved by</b>	Finance and Physical Resources Committee
<b>Date Approved</b>	14 <sup>th</sup> September 2022
<b>EQIA Status</b>	EQIA Conducted?      Yes: X    No: <input type="checkbox"/>
<b>Proposed Review Date</b>	September 2023
<b>Lead Department</b>	Procurement Department
<b>Lead Officer(s)</b>	Head of Procurement
<b>Board Committee</b>	Finance and Physical Resources Committee
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## 9 Revision Log

Version Date	Section	Description