

Procurement Policy

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1. Purpose

1.1. The purpose of this Procurement Policy is to:

- set out the operational steps required for the College to meet its key strategic objectives in the Procurement Strategy
- maintain the highest ethical standards linked to procurement matters and the expenditure of public funds
- ensure a uniform approach to quotation/tendering and contract management procedures for use by the College employees with any element of purchasing responsibility in their job role
- ensure that all potential suppliers are treated in a fair, open and transparent manner
- ensure best value is achieved at all times
- promote and implement best practice sustainable procurement principles
- promote equality and diversity in relation to relevant procurement matters
- comply with all legislative obligations in relation to procurement, including the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, and the Procurement (Scotland) Regulations 2016 and all subsequent amendments.

2. Scope

2.1. This Procurement Policy applies to all purchases of goods, services or works made by/on behalf of the College. The Policy must be adhered to by all College employees with any aspect of purchasing responsibility in their job role, including Curriculum Directors, Operational and Curriculum Managers, Heads of Service, budget holders, requisitioners and administrators.

2.2. The Policy should be read in conjunction with the following related College Policies/Procedures/Regulations:

- College Procurement Strategy 2022-2025
- College Procurement Procedures
- Scheme of delegation as approved by the Finance Committee/Board of Management
- College Financial Regulations
- Gifts and Hospitality Policy
- Anti-Bribery and Corruption Policy

2.3. There should be clear separation of budgetary authority and procurement authority. Budget holders should have authority to initiate purchasing/procurement activity by specifying their requirements and providing budgetary authority for the expenditure. The authority to purchase (Delegated Purchasing Authority (DPA)) and ultimately place the purchase order should be conducted separately. DPA is shown in the College's Scheme of Delegation and Finance's Authorisation Process by Department documents.

2.4. Any proposal to award a contract over £25,000 without competition must be approved in advance by the Scottish Funding Council, in accordance with the requirements of the

Scottish Public Finance Manual (SPFM). A Single Source Justification Form must be completed and approved prior to the award of such contracts.

2.5. Any external consultancy contracts with a value of £100,000 aggregated over 4 years must be approved in advance by the Scottish Funding Council, in accordance with the requirements of the Scottish Public Finance Manual (SPFM).

3. Responsibilities

3.1. This Policy has been approved by the College Finance Committee.

3.2. The Vice Principal for Finance and Corporate Affairs is accountable for the implementation of this Policy and for continuous review of the Procurement Policy and submitting any changes to the College Finance Committee for approval.

3.3. The Procurement service is responsible for the effective operation of this Policy and will ensure that appropriate Procedures are in place and embedded.

3.4. The Procurement service is responsible for managing the College's procurement activity and compliance with all legislative/regulatory/best practice matters.

3.5. Curriculum Directors and Heads of Service are responsible for ensuring that all purchasing activity within their areas is carried out in line with this Policy, associated legislation and regulations.

3.6. All College employees with any aspect of purchasing/procurement responsibility in their job role are responsible for adhering to the Policy and complying with associated Procedures.

3.7. Any breach of this Procurement Policy shall be investigated. Failure by any employee to comply with this Policy may give rise to disciplinary procedures.

4. Key Principles

4.1. Value for Money

4.1.1. A fundamental principle of the Procurement Policy is to ensure the achievement of Value for Money in a legally compliant manner.

4.1.2. Value for Money is the balance between quality, cost and sustainability, and will vary for every purchase depending on the requirements of the College. The two main aspects that impact on the achievement of Value for Money are:

- Product/Service specification – appropriate quality and quantity
- Source of supply – right time, right place, right price

4.1.3. Where you are involved in the purchase of goods, services or works, it is important to consider the following criteria as part of the specification:

- Purpose/performance of goods/services
- Necessary characteristics (size, finish etc.)
- Life span
- Installation/Maintenance requirements
- Sustainability considerations (global climate emergency, circular economy, recycled and recyclable materials, environmentally friendly characteristics, packaging, safe disposal, fair work practices)
- Equality and diversity

- Risks

4.2. Collaborative Procurement

- 4.2.1. The College will seek to maximise opportunities to collaborate in the procurement of goods, services or works where it can be demonstrated that such collaboration delivers the best overall Value for Money solution to meet the College's needs.
- 4.2.2. Collaboration may include the use of Framework Agreements which have been procured by collaborative procurement organisations such as APUC, Scottish Procurement, Scotland Excel and other similar Procurement 'Centres of Expertise'. Where a Framework Agreement exists and can meet the needs of the College in respect of the product/service required, that Framework Agreement should be used, unless otherwise agreed by the Procurement service.
- 4.2.3. A list of all Framework Agreements currently available to the College can be found in Section 6.
- 4.2.4. The benefits of utilising a collaborative Framework Agreement include:
- **Economies of scale** – more competitive pricing as a result of the greater purchasing power achieved through collaboration
 - **Compliance with procurement legislation** – compliance has already been met when the Framework Agreement was procured by the Centre of Expertise (i.e. APUC), therefore reducing the burden on the College.
 - **Supplier vetting** – suppliers on these Framework Agreements have demonstrated compliance in a number of ways including: financial health, insurances, corporate and social responsibility, Health and Safety, Quality Management, Equalities and sustainability
 - **Supplier performance** – such Framework Agreements include well defined terms and conditions, as well as Contract and Supplier Management processes to support the College in the event of poor supplier performance
 - **Efficiency** – procuring legally compliant contracts can be time consuming and resource intensive both for the Procurement service and the requisitioning department, which is a hidden cost often not considered. Utilising Framework Agreements can reduce time and associated cost for everyone involved.
- 4.2.5. Collaboration may also include maximising opportunities to work across College departments to deliver contracts for commonly purchased goods and services, such as stationery, materials, equipment or consumables where there are currently no contracts in place.
- 4.2.6. The benefits of College wide collaboration include:
- **Commonality and Standardisation of products and services** – this provides a College wide standard for the products and services being purchased, as well as the re-assurance that all departments are paying the same prices for the same goods and services.
 - **Efficiency** – by everyone working together in the same way, and using the same suppliers and buying the same products/services it reduces duplication of time and effort, thereby creating efficiency benefits
 - **Supplier performance monitoring** – if we are all using the same supplier then it is easier to monitor supplier performance, identify common issues and feedback to suppliers.

- **Cross functional learning** – by working together it helps to identify different ways of working and requirements within different departments which can all be used to identify College wide improvements to processes and ways of working

4.3. Legislative Compliance

4.3.1. The College will ensure that it complies with the following procurement legislation and all subsequent amendments:

- Public Contracts (Scotland) Regulations 2015,
- Procurement Reform (Scotland) Act 2014,
- Procurement (Scotland) Regulations 2016

4.3.2. In addition, the Procurement service will ensure compliance with all relevant legislation and all subsequent amendments on a contract by contract basis, including but not limited to:

- Equality Act 2010
- Bribery Act 2010
- Freedom of Information (Scotland) Act 2002
- Health and Safety at Work Act 1974
- UK General Data Protection Regulation (GDPR)

4.4. Sustainable Procurement

4.4.1. The College recognises that procurement can play an important role in improving our economic, social and environmental performance as an organisation through our collective approach to the procurement of goods, services and works. This is recognised within the College's Sustainability Commitment Statement, the Scottish Colleges' Statement of Commitment on the Climate Emergency and by procurement representation on the College Sustainability Committee.

4.4.2. Additionally, the Procurement Reform (Scotland) Act 2014 introduces a number of duties upon the College including the Sustainable Procurement Duty.

4.4.3. In recognition of the importance placed on sustainable procurement by the College and the Scottish Government, the College has embedded Sustainable Procurement within our Procurement Procedures and templates.

4.4.4. This recognises some of the key measures and tools the Procurement service uses in order to improve the sustainability outcomes from our procurement activity, including:

- Compliance with the Sustainable Procurement Duty
- Taking account of the Strategic National Priority regarding the Global Climate Emergency. Where relevant, we shall include climate impact, circular economy considerations in our procurement activities;
- Consider fair work practices and the Fair Work First criteria;
- Utilise the Sustainable Procurement Prioritisation Tool to assess sustainability risks and opportunities for appropriate categories of goods and services
- Complete the Sustainability Test for relevant procurements to assess any possible social, economic or environmental impacts from a procurement exercise in order to maximise opportunities for improvement in the wellbeing of the local community
- Utilise the Scottish Government's Flexible Framework to assess the College's performance against best practice indicators.

- 4.4.5. With regards to the Public Sector Equality Duty (PSED) under the Equality Act 2010, the College (as a Public Authority), within its procurement practices, gives due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4.5. Efficiency and Effectiveness

- 4.5.1. Procurement Procedures: The College has developed Procurement Procedures to align to this Policy, as dictated by the College's Financial Regulations. These procedures follow the Scottish Government's Procurement Journey with the intention of embedding best practice and legal compliance within the College's procurement function.
- 4.5.2. The aim of the Procedures is to set out clear guidance to College employees as to their relative roles and responsibilities depending on their job role and levels of responsibility within the purchasing/procurement process.
- 4.5.3. The Procedures are intended to be proportionate to the value/risk of procuring the goods, services or works and to minimise unnecessary steps or administrative requirements throughout the process.
- 4.5.4. E-Procurement: The College currently uses a number of e-Procurement systems to maximise the efficiency and auditability of its procurement processes.
- 4.5.5. The College's e-Procurement system (P2P) must be used for placing purchase orders with suppliers who have been approved by the Procurement service, unless another method has been authorised by the Finance service.
- 4.5.6. The Procurement service will continue to identify appropriate e-Procurement systems and processes which aim to increase efficiency for the College.
- 4.5.7. Terms and Conditions: The College's Terms and Conditions for the supply of goods and services will be issued for all tender processes.
- 4.5.8. All purchases/contracts entered into by the College which are not made through an authorised Framework Agreement must only be entered into under the College's Terms and Conditions, unless otherwise agreed by the Procurement service. A copy of these Terms and Conditions can be found in section 6.
- 4.5.9. All purchases/contracts entered into using an authorised Framework Agreement must only be entered into under the Framework Agreement terms and conditions as set out by the relevant purchasing consortia, which the suppliers have agreed to. Please speak to the Procurement Manager for further information.

4.6. Appropriate Skills, Expertise, Integrity

- 4.6.1. The College will ensure that all employees involved in the procurement process are given the appropriate level of advice and support, whether through access to the Procurement Policy and Procedures, additional advice, or through further training provided by the Procurement service.
- 4.6.2. In order to maintain the highest ethical standards across the College, all employees involved in the procurement process shall be required to:

- Comply with the College's Anti-Bribery and Corruption Policy
- Comply with the College's Gifts and Hospitality Policy
- Comply with the College's Ethical Procurement Code of Conduct

4.6.3. Conflict of Interest: Where a potential conflict of interest arises between a College employee and a potential supplier of goods, services or works which may have an influence on the award of business to that supplier, the employee must declare such conflict of interest at the earliest possible opportunity (and before the award of any business to the supplier) by completing a Declaration of Interest form, and returning it to the Procurement service, who shall advise of the next steps to be taken.

4.6.4. If an employee is in doubt as to a potential Conflict of Interest, they should speak to the Procurement service in the first instance.

4.7. Fair and Equal Treatment

4.7.1. A core principle of public procurement regulation, under the procurement legislation, is to ensure that all suppliers are treated in an open, fair, equal and transparent manner. This principle is carried through into this Policy and associated Procurement Procedures to ensure that all suppliers have a fair and equal opportunity to secure contracts with Forth Valley College.

4.8. Ongoing Review of Performance

4.8.1. Review of supplier performance: The College has a formal Contract and Supplier Management (C&SM) approach to ensure that contracted suppliers continue to deliver the College's requirements as agreed during the tender process. This includes quality of goods/services provided, pricing, customer service levels, performance against KPIs, and adherence to Terms and Conditions as a minimum.

4.8.2. The C&SM approach is determined on a contract-by-contract basis during the pre-tender contract strategy development, in consultation with relevant stakeholders, and considers the overall risk and value of the contract.

4.8.3. There are 3 levels of Contract Management within the C&SM approach:

- Strategic
- Managed
- Routine

4.8.4. The approach to Contract and Supplier Management is intended to be proportionate for both the College and the supplier.

4.8.5. The Procurement service will work in conjunction with relevant stakeholders to implement and manage the C&SM process on a contract-by-contract basis.

4.8.6. An important aspect of C&SM is feedback from College employees, which can be captured in various ways including SharePoint surveys, email or verbal feedback.

4.8.7. Details of the Contract & Supplier Management process can be found in section 6.

4.8.8. Review of Procurement Performance: The College participates in the Procurement and Commercial Improvement Programme (PCIP) – an assessment across all public sector organisations' procurement practices. The PCIP assessment takes place every 3 years and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. Following the formal PCIP assessment, the College receives feedback and an action plan with recommendations to continually improve performance, based upon best practice.

4.8.9. Furthermore, as part of the Procurement Reform (Scotland) Act 2014, the College must also publish an annual procurement report disclosing how its procurement activity has complied with its published procurement strategy.

4.8.10. In addition, the Procurement service continually reviews its processes to ensure continual improvement through lessons learned reviews and stakeholder and supplier feedback.

5. Review of Procurement Policy

5.1. This Policy will be reviewed on an annual basis, as a minimum, by the Vice Principal of Finance and Corporate Affairs in conjunction with the Procurement Manager.

5.2. Any amendments required to the Policy will be presented to the Finance Committee for approval.

6. Relevant Links

[Procurement Strategy 2022-2025](#)

[List of currently available Framework Agreements](#)

[Terms and Conditions](#)

[Procurement Journey](#)

[Sustainability Statement](#)