



Procurement Strategy and Action Plan 2021 - 2022

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Procurement Strategy and Action Plan

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Procurement Strategy and Action Plan

1. Executive Summary

The University of Strathclyde Procurement Strategy (the 'Strategy') is aligned with the University's Strategic Plan, established collaborative initiatives and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014. The approved Strategy is the culmination of consultation and engagement with different stakeholder groups affected by the University's 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 achieving its policies, aims and objectives.

2. Strategic Context

The Strategy sets out the strategic institutional approach to procurement within a challenging economic, legislative and regulatory environment, including support for University policies. The statements within section 5 demonstrate how the University will deliver the requirements of the Procurement Reform (Scotland) Act 2014. The Action Plan element of the Strategy translates the strategic objectives into the detailed actions and processes required to maintain a cost-effective University procurement operation. It is relevant to all staff involved in buying goods and services on behalf of the University, including management staff responsible for authorising and monitoring transactions.

3. Procurement Mission Statement

The University of Strathclyde is committed to maximising value for money in all of its transactions, and, in conducting its daily business, staff will consider the University's wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective procurement will support the University's Strategic Plan 2020-2025 (Vision 2025).

4. Strategic Objectives

The procurement team will consider how to incorporate the University's values throughout tendering processes where relevant and proportionate to do so to support the strategic vision.

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People-orientated

We are committed to our staff and students, providing opportunities and investing in their development

We aim to procure works, goods and services that support the creation of a high quality, student- and staff-centric, fully accessible community environment, aimed at enhancing the student and staff experience. Procurement aims to promote best value contracts that are sustainable and committed to corporate and social responsibilities. Community benefits are encouraged from the supply base to support the student and staff community where it is proportionate and relevant to the contract. Investment in developing and training the procurement team is a priority to ensure a high level of service is delivered to all stakeholders. A significant project procurement will influence is the 'Heart of Campus' centrepiece, which includes pedestrianising and re-landscaping Rottenrow Gardens and transforming the site and surrounding area into an accessible and innovative set of spaces, improving our student experience and connecting the University with the surrounding community.

Ambitious

We are ambitious for our institution, staff and students as well as supporting the ambitions of our partners

We are ambitious in our local and global engagement as a leading international technological University. Procurement has a commitment to the dual goals of sustainability and responsible global citizenship by seeking to understand and minimise the adverse environmental impacts of the University's activities. We aim to encourage the supply chain to develop the skills and processes needed to achieve best practice, and work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts is achieved for the benefit of customers and students.

Collaborative

We work together, internally and externally, with integrity and in an open, respectful way

The ongoing and proposed investments in our campus support and encompass a collaborative approach, both in determining the required deliverables and in the manner in which the investments are executed. Buildings such as the *Centre for Sport, Health and Wellbeing*, and recent projects such as the *Biomedical Engineering Facility*, the *National Manufacturing Institute for Scotland* and *The Learning and Teaching Building* explicitly support and provide for collaborative working arrangements between staff, students and external partners, as outlined above. The procurement and contract management of the works, goods and services that support the delivery of these and other future projects will be undertaken with a collaborative approach between departments across the university, student representatives and suppliers. The Procurement team actively promotes and develops collaborative relationships with centres of expertise and other contracting authorities where best value can be achieved and it is advantageous to do so.

Innovative

We are focused on discovering and applying knowledge with impact, encouraging creative thinking and new ideas

The investment in buildings and the spaces created will be flexible to allow a rapid response to changing student and staff requirements in relation to learning, teaching, research and external engagement. Contracts will be designed to be flexible within the parameters of legislation to respond to an ever changing environment and be embedded with ethical, social and environmental policies to comply with relevant legislation and the sustainable procurement duty.

One significant project includes:

- The design of Technology and Innovation Centres East and West is underway and these buildings are intended to sit in the heart of the Glasgow Innovation District, bringing together ambitious, forward-thinking people. Passivhaus is central to the University's Innovation Strategy and is directly aligned with the net zero and innovation theme of the development.
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Bold

We are confident and challenging about what we do, and supportive of appropriate and managed risk in our decision-making

The University Strategy includes continued strong focus on investment in staffing and infrastructure. Strategic procurement aims to support and enhance this objective by promoting innovative and new procurement processes where beneficial, contract managing the supply base to ensure contracts deliver as they were intended and ensuring value for money and best practice are delivered across contracts. The most significant projects include:

- The redevelopment of the Wolfson Building, transforming it into a *state-of-the-art Biomedical Engineering Facility*. This includes new research and teaching laboratories, increased office accommodation for staff and students and new student social and engagement spaces.
 - Investment in the new *Learning & Teaching building* at the heart of the campus. Opened in 2021, this building enhances students' learning, teaching and social experience through the development of adaptable spaces that accommodate current and evolving educational approaches, encouraging student engagement and deeper personalisation of student support.
 - The construction of the *National Manufacturing Institute for Scotland*, an industry-led international centre of manufacturing expertise intended to support Scotland and the UK in becoming a global leader in advanced manufacturing.
 - Ongoing investment in *Student Residences* through a five-year programme of capital investment and modernisation.
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5. Compliance with the Procurement Reform (Scotland) Act

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

Policy area	University approach
<i>Sustainable Economic Recovery The use of community benefit requirements & Fair Work First (including payment of the Real Living Wage)</i>	<p>The University has developed a Socio and Economic Impact and Community Benefit Strategy which includes 'Strathclyde Commitment' clauses, these clauses are intended to deliver wider benefits in addition to the core purpose of a contract. They can be used to build a range of economic, social and/or environmental conditions into the delivery of commercial contracts. The Strategy extends the University's legislative obligations, to consider how every procurement over £4m can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses to considering all regulated value contracts where relevant and proportionate to do so.</p> <p>The University recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. As a Living Wage employer, the University encourages the commitment to Fair Work First by suppliers of its contracts, including the promotion of the Real Living Wage (Scotland) and where appropriate commitment to the Scottish Business Pledge.</p>
<i>Leadership & Visibility Consulting and engaging with those affected by our procurements.</i>	<p>The University is working towards increasing the visibility of procurement and the importance of the team's role. Raising the profile of the team and the service provided by actively engaging further both internally and externally with those involved in our procurements.</p> <p>For each procurement, the University will consider 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 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.</p>
<i>Promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act</i>	<p>The University is 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 University will assess the legislation applicable to a contract and take steps to ensure bidders comply with such legislation. Where proportionate, the University may assess subcontractors' compliance of specific legislation also.</p>

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Policy area	University approach
<p><i>Procurement of fairly and ethically traded goods and services</i></p>	<p>The University supports the sourcing 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 University procurement's "Supplier Code of Conduct" is embedded in tender documentation and can be viewed publicly under the Procurement section on the University website.</p>
<p><i>Our approach to regulated procurements involving the provision of food in order to:</i></p> <ul style="list-style-type: none"> - <i>improve the health, wellbeing and education of communities in our area</i> - <i>promote the highest standards of animal welfare</i> 	<p>The University 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 University will manage our catering provision to ensure affordable contracts are put in place, which meet the nutritional requirements for food for users of our catering services.</p>
<p><i>Ensuring that, so far as is reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented:</i></p> <ul style="list-style-type: none"> - <i>due by the authority to a contractor</i> - <i>due by a contractor to a sub-contractor</i> - <i>due by a sub-contractor to a sub-contractor</i> 	<p>The University complies 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. The use of Project Bank accounts will be promoted within appropriate contracts.</p>
<p><i>Ensuring that our regulated procurements will be carried out in compliance with the sustainable procurement duty and to support the country's sustainable economic recovery.</i></p>	<p>The University will undertake regulated procurements in compliance with the sustainable procurement duty. 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 University will utilise available tools and systems where appropriate such as the Scottish governments Sustainable Procurement Tools, EcoVadis supply chain assessment and monitoring and Electronics Watch where relevant and proportionate to the scope of the procurement. The University publishes its Modern Slavery and Human Trafficking Statement annually to comply with the Modern Slavery Act 2015.</p>

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Policy area	University approach
<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>The University 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 University will sort regulated procurements into procurement categories. How these goods, services and works 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>
<i>Ensuring that our regulated procurements will be carried out in compliance with our duty to treat relevant economic operators equally and without discrimination</i>	<p>The University will conduct all regulated procurements in compliance with the GPA principles of non-discrimination, fairness and transparency and will utilise e-sourcing platforms including Public Contracts Scotland and Public Contracts Scotland-Tender to publish its procurement opportunities. The University 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>
<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>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 University 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. The University will take steps to make it easier for smaller businesses to bid for contracts. Whilst legislative constraints preclude preferences for only local suppliers, the University 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>
<i>Response to Climate emergency (including carbon reduction and a circular economy)</i>	<p>The university has ambitious targets of a year on year reduction in greenhouse gas emissions, leading to a 70% reduction by 2025, 80% by 2030 and Net Zero by 2040 at the latest.</p> <p>Tender documents request information from suppliers regarding their approach to support the Scottish Government targets towards reduction of greenhouse gas emissions and the target of net zero by 2045 and specific contracts are targeted with evaluation measures where appropriate and proportionate to do so.</p>

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Policy area	University approach
<i>Achieving Professional Excellence (against national Policy and standards)</i>	The procurement team are supported to maintain their professional qualifications and continuous development opportunities are presented and encouraged. Working with the collaborative bodies to deliver and provide training across the profession.
<i>Developing the use of systems and data to achieve sustainable outcomes and reporting</i>	Utilise the collaborative tools and data sources shared and available across the public sector to maximise efficiency and effectiveness. Support further development of national and sectoral level systems and best practice.

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6. Annual Reporting

The University will produce an annual report on progress against the Procurement objectives and publish this on the University website. This report, produced as soon as practicable after the end of the financial year, will also describe how the University 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 also include:

1. A summary of the regulated procurements that have been completed during the year covered by the report.
2. A review of whether those procurements complied with the University's Procurement Strategy.
3. To the extent that any regulated procurements did not comply, a statement of how the University intends to ensure that future regulated procurements do comply.
4. A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
5. A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.
6. A summary of the regulated procurements the University expects to commence in the next two financial years.
7. Other information as the Scottish Ministers may by order specify.

7. Strategic Ownership and Contact Details

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Appendix 1 – Action plan

Objective	Outcomes	Main actions and commitments	Key Performance Indicators	Updated November 2021
<p>Procurement will support Academic and Professional Services Departments to enhance the learning, teaching, research and innovation experience, for the many and diverse needs of stakeholders, by providing innovative solutions for their procurement decisions.</p>	<p>Target the right people with the right information at the right time.</p> <p>Procurement's profile raised and relationships built with key stakeholders through regular and targeted communications</p> <p>Mechanisms provided for Procurement to listen, understand stakeholders needs and implement improvement</p> <p>Achieve consistency in communications by focusing on Procurement's key messages</p> <p>Project an appropriate image of Procurement as being a client-focused support function through consistent communications</p>	<p>Procurement will engage openly and positively with all stakeholder groups to deliver a Procurement service that supports the activities of the University now and in the future</p> <p>Regular scheduled meetings with key stakeholder contacts</p> <p>A dedicated Category Manager covering key spend areas.</p> <p>An annual feedback process with University staff and suppliers</p>	<p>Number of stakeholders that Procurement identifies as being key in terms of value of expenditure or value of risk</p> <p>Total expenditure for these key stakeholder areas</p> <p>Number and frequency of communications with key stakeholders</p> <p>Output summary from annual stakeholder and supplier feedback</p>	<p>Stakeholder engagement and support providing innovative procurement solutions. Procurement Contacts have been established within each Faculty/Department.</p> <p>Allocation of key personnel to commodity areas to allow meaningful interaction and planning for future spend.</p> <p>Many departments have recognised the measurable benefits of procurement to the extent that some have funded a dedicated resource to sit in the central team but embed as necessary within the department.</p> <p>Procurement awareness was conducted at the beginning of FMS training sessions. Specific Procurement awareness training has been developed and is available on the procurement website.</p> <p>Targeted Departmental training is also undertaken as required.</p>
<p>Procurement will develop management information to measure and improve procurement and supplier performance, assisting key stakeholder areas in meeting their requirements for best value goods and services.</p>	<p>Maintain a Contract Register</p> <p>Procurement Website with guidance and training on Procurement legislation and processes.</p> <p>Contract management process in operation for all key suppliers</p>	<p>Category management in place for key spend areas to identify areas where aggregation of spend and collaborative agreements could be used to provide better value for money.</p> <p>Template documents produced for Procurement team to ensure</p>	<p>Total value of expenditure influenced by Procurement Team directly or indirectly</p> <p>Spend aggregated across the University to provide multiple faculty/ department contracts providing economies of scale</p>	<p>Contracts register is available and maintained and non-employee spend analysed into commodities and sub commodities. Dashboards created supplying spend profiles. Allowing improvements to non-compliant spend to be</p>

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Objective	Outcomes	Main actions and commitments	Key Performance Indicators	Updated November 2021
		<p>strategy development will address how corporate social responsibilities - equalities, fair trade, governance, prompt payment, supporting local SMEs and sustainable procurement can be developed and achieved through regulated procurement contracts, embedding these responsibility objectives into tender documentation and evaluation criteria</p> <p>Contract management process applied to appropriate contracts and managed on a proportionate basis</p>	<p>and avoiding disaggregation across contracts.</p> <p>% expenditure through collaborative agreements</p>	<p>recognised and create a better sense of ownership.</p> <p>There has been an increase to contracted spend based on the baseline recorded. FMS has been updated to ensure all contracted suppliers are identified. Further plans are to consider all non-contracted spend, which will be evaluated on the basis of risk.</p> <p>Active contract management taking place with identified suppliers.</p>
<p>Procurement will embed sound ethical, social and environmental policies within the University's procurement function to ensure compliance with relevant Scottish, UK and GPA legislation in performance of the sustainable procurement duty.</p> <p>Including supporting the University's Strategic Plan 2020-2025 in its commitment to delivering net zero and promoting sustainability.</p>	<p>Embed requirements to maximise social, economic and environmental outcomes through contracting activities.</p> <p>Tenders will promote the Living Wage, specify that contractors demonstrate good employee relations and workplace matters, and high ethical standards and values in the conduct of their business i.e. Health and Safety at Work</p> <p>Fair and transparent opportunity and treatment for all current and potential suppliers including small and medium-sized enterprises (SMEs), third sector and voluntary sector organisations</p>	<p>Review of the University policy on how regulated procurements will be undertaken to ensure compliance with the sustainable procurement duty</p> <p>Participation in the documentation of progress made for the annual Modern Slavery and Human Trafficking Statement.</p> <p>Undertake prioritisation methodology across University expenditure concentrating on key commodities and areas of high risk and using the Scottish Governments Sustainability Test where appropriate to do so.</p>	<p>Results of prioritisation exercise across the key category expenditure areas</p> <p>Number of suppliers adopted through EcoVadis</p> <p>Reporting on the progress of measures put in place to counter act human trafficking.</p> <p>Measurement of Scope 3 emissions showing a reduction where influenceable in procured goods, works and services.</p>	<p>University Procurement has published the following strategies: sustainability strategy, modern slavery statement, procurement strategy, socio-economic and community benefits strategy and construction charter all available through the UoS web pages and where appropriate embedded in tenders along with fair working practices and ethical labour requirements.</p> <p>The Procurement Annual Report is published annually.</p> <p>The flexible framework has been progressed and supported the PCIP audit in 2019.</p> <p>Include whole life costing (including energy efficiency) in contract evaluation criteria.</p>

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Objective	Outcomes	Main actions and commitments	Key Performance Indicators	Updated November 2021
	Support for the purchase of Fair and Ethically Traded goods and services	<p>Utilise EcoVadis to measure and monitor all appropriate suppliers.</p> <p>The University is committed to being Net Zero by 2040 and to a reduction in its direct and measurable indirect emissions by 70% by 2025.</p>		Embodied Carbon reduction through construction design phase and assessment of products. Including response and evaluation criteria in appropriate contracts.
We will promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities working 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	<p>A Contract Register that provides clarity on the status of all contracts and activities</p> <p>Comprehensive procurement strategies that facilitate the production of clear and concise specifications</p> <p>Suppliers managed to ensure they perform over the life of the contact</p> <p>Savings and benefits generated through Procurement reported to Executive and Audit Committee on a regular basis</p>	<p>Review annual expenditure analysis to understand regulated procurement and contracts in place and the cycle for the review and retender of these</p> <p>Expenditure is managed on a category basis</p> <p>Template documents are developed in line with Procurement Journey to ensure a consistent and appropriate approach to each and every procurement</p> <p>Contract management process consistently and appropriately applied across the entire supply base</p> <p>Savings and benefits identified and collected in line with the Sector Benefits Methodology</p>	<p>Total value of expenditure across University</p> <p>Total number of procurement staff</p> <p>No of strategic contracts</p> <p>No of managed contracts</p> <p>Value of savings and benefits generated</p> <p>Tracking and monitoring of Community Benefits from appropriate contracts.</p>	<p>Regulated procurements have a contract strategy ensuring the best route to market is identified for each contract. Best value is considered in every contract with a balance price/quality split. SMEs, supported businesses and social enterprises are considered where appropriate at strategy stage of contract.</p> <p>The Procurement head count has increased and is mostly in a stable position. The many new projects undertaken by the University means constant review of resources is required. General terms and conditions have been revised to include new legislation and more robust liability clauses.</p> <p>University Procurement uses the Scottish Governments Best Practice Indicators to measure performance.</p>
Procurement will consider Procure to Pay methods. Embedding an end to end process in contracts.	<p>Fewer Invoice transactions.</p> <p>Smooth payment of invoices.</p>	<p>Consider payment methods at strategy stage for each contract.</p> <p>Issue guidance on payment methods.</p>	<p>No of invoices received</p> <p>Cost to process invoices</p> <p>Efficiencies</p>	P2P is considered as part of every contract strategy and the most efficient payment method including early payment arrangements, consolidated

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Objective	Outcomes	Main actions and commitments	Key Performance Indicators	Updated November 2021
	<p>Most efficient method of invoicing used based on an assessment of the contract.</p> <p>Implementation of invoicing.</p>	<p>Work with finance to embed invoicing</p>		<p>invoices, catalogues, punch out, purchasing cards and invoicing.</p> <p>University procurement has ownership of the supplier master files on the Financial management system.</p> <p>No Po No Payment is upheld and non-essential routes for requests for payment without PO are closed.</p>
<p>Procurement will 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.</p>	<p>Partnerships within the sector and other public bodies which assist the development of potential procurement collaboration opportunities, and support and encourage shared services initiatives which would attribute value to the University's activities</p> <p>Reduction in the duplication of effort between the University and 'consortia' bodies for tendering activity.</p>	<p>Review the expenditure of the University and manage on a category basis.</p> <p>Category Managers to identify potential areas of collaborative activity for their Category/Key spend areas</p> <p>Develop forward contracting plans which will aid discussions with collaborative bodies and across the Sector.</p>	<p>Total value of expenditure across University</p> <p>% expenditure through collaborative agreements</p>	<p>Appropriate collaborative frameworks are utilised, the team sit on collaborative forums such as PPD, PPOT, Policy forum, and facilitate the Glasgow procurement group.</p> <p>Circa. 51% of spend went through collaborative agreements (based on AY 19/20). This is an increase of 6% on the previous year.</p>