

APUC Strategy 2015 to 2018



The Core Vision and Mission of APUC is "To maximise the value of Scotland's investment in further and higher education by working in partnership with institutions to support and enable sustainable innovation in procurement"

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1) Introduction to the APUC Strategy 2015-2018 and Beyond

Welcome to the APUC Strategy for 2015-2018. The Core Vision and Mission of APUC is **"To maximise the value of Scotland's investment in further and higher education by working in partnership with institutions to support and enable sustainable innovation in procurement"**

The original APUC Strategic Vision (covering 2009 to 2012) and the following APUC Strategic Plan (covering 2012 to 2015) provided a clear strategic and operational direction for APUC through what is known as the second phase of public procurement reform in Scotland and was highly tuned to the sectoral strategies and developments over that period. This period was one where clear objectives were set for the procurement community across the University sector by the Universities Scotland Efficiencies Taskforce and where equally clear objectives were established by the APUC Board to support the College sector through a sustained period of monumental change for virtually every College in the country.

APUC and the sectors' Procurement community have developed substantially over this period in various different ways, implementing a variety of different solutions and approaches to meet the varying needs (including shared and / or local solutions in institutions where this is appropriate, as well as gaining synergies from improved linkage to UK HE/FE procurement groups).

Significant achievements across the overall period include:

- ⊗ Collaborative Spend going from under 10% to over 30% of sector spend
- ⊗ Number of collaborative agreements available for sector use climbing from circa 20 to circa 160 – equating to around £220m of spend per annum
- ⊗ Resulting in benefits from use of collaborative agreements consistently delivered at over £15m pa
- ⊗ Significant reduction in risk from procurement in the sector demonstrated by the percentage of institutions in the two upper quartiles of the Procurement Capability Assessments scoring moving from 22% to 91% by 2014

Pressure for professional procurement resources has continued to increase over this period, in recent years APUC has moved from being entirely based in Edinburgh to one with staff in 12+ locations across Scotland with the core team being based currently across two offices in Glasgow and Edinburgh. The development of a core team location outside of Edinburgh has been key to being able to provide an effective and sustainable service to the client community at an affordable cost.

The difficulty of recruiting and retaining excellent staff is expected to increase further so going forward APUC plans to increase flexible working options and aims to gradually develop a third base for core team staff in Stirling that will access a potential staff pool that is out of commuting reach of our Glasgow and Edinburgh offices. It could also provide an ideally suited meeting location for client staff & suppliers from across the country.

Looking forwards, the sectors continue to face considerable challenges in the coming years. The University sector will have to continually adapt to aspects such as funding models for research and rUK students changing as well as funding pressures on home/ EU students. Additionally, a process of review of University governance is ongoing. The College sector has recently gone through a major merger programme, followed by fundamental changes to governance and still faces turmoil caused by the Office of National Statistics (ONS) reclassification of incorporated Colleges as general central government bodies. This change process will bring substantial impacts to the way that procurement needs to be planned and managed in the near future.

For the duration of the new strategy, the sector will also be required to constantly change to deal with the biggest ever set of changes to public procurement in Scotland, beginning with the implementation of the Procurement Reform (Scotland) Act and the first wave of changes from new EU Directives, commencing at the end of 2015 / early 2016 (with these changes scheduled to continue to be implemented until 2019). Alongside this there will be fundamental changes to the procurement capability assessment regime in Scotland, again with significant flux scheduled for all of the period covered by this strategy.

Working with client institutions, APUC wishes to progress delivery of advanced procurement by developing an enhanced Contract Management and Supplier Relationship Management service. This takes procurement beyond contract award and more effectively into the management of contract and supplier delivery. It is a key driver of added value and innovation at the strategic level and a fundamental requirement to ensure that the institutions receive what they purchase at the operational level. It also serves to reduce, mitigate and manage risk for the term of the relevant contracts.

The myriad of aspects and challenges impacting on our client sectors, their customers and stakeholders, and the key service expectations our client community have of APUC, have been thoroughly considered when developing this new Strategy. The High Level Strategic Deliverables are contained within Section 4 of this Strategy, a Delivery Plan will support the realisation of these deliverables.

Throughout, as well as working in partnership with colleagues across our sectors, APUC will also continue to work in partnership with colleagues from other relevant bodies across the UK sectors and the other Scottish publicly funded sectors. This work will further enhance the value that can be derived from collaboration in bringing maximum value for the client community (the approach to this collaboration is covered in more detail in Annexes 1 and 2). It will continue to move the Public Procurement Reform Programme forward.

It is essential that the Strategy remains agile and be adapted and updated regularly in order to support the sectors in the most optimal way through these aspects whilst maintaining a high quality service throughout.

Angus Warren, Chief Executive, APUC

The client institution community has had clear service expectations of APUC from the early days of our existence, this continues moving forward. Within this Strategy, these expectations form the core scope of APUC's responsibilities and strategic organisational scope. These expectations have been arrived at through regular dialogue with senior stakeholders within every client institution in Scotland.

Meeting Client Expectations	<p>⚠ Deliver and Manage Contracts that save client institutions money and optimise delivery - noting that the benefits of collaborative contracting are from delivering both lower and high value contracts and also from developing and providing a Contract and Supplier Relationship Management service to meet the needs of the institutions and provide access to the added value activities of improved service, quality and innovation by working appropriately with suppliers.</p>
	<p>⚠ Act as the representative body for the Scottish University and College sectors in all matters related to procurement and provide a strong link into development of the Public Procurement Reform Programme to help ensure that efficiency is optimised and bureaucracy minimised.</p>
	<p>⚠ Effectively deliver an overview of all collaborative procurement activity taking place in the sectors and not simply solely to deliver tenders in their own right but to deliver tenders / framework agreements that include jointly working with all other relevant collaborative contracting bodies, this can mean leading, jointly delivering, facilitating or simply publishing collaborative contracting solutions.</p>
	<p>⚠ Develop and Maintain a level of expertise that allows APUC to both deliver services based on best practice but also facilitate the implementation of best practice throughout the client community, in both cases with a strong ethos of fairness, social responsibility and sustainability.</p>
	<p>⚠ Provide eSolutions electronic tools management, implementation & support - and provide representation on behalf of our sectors in the wider development of these solutions / tools.</p>
	<p>⚠ Operate resources in a flexible way to meet varying needs across our operation and where possible to be able to offer flexible resource and additional shared services support to client institutions.</p>
	<p>⚠ Provide a flexible client account management service that will meet the varying needs of the different types of institution that APUC serves.</p>
	<p>⚠ Develop and provide expertise and knowledge in the delivery of shared service models, and where appropriate act as a hosting organisation / Cost Sharing Group (CSG) for shared services to the Scottish University and College sectors - such as the Information Services Shared Services Catalyst.</p>
	<p>⚠ Provide appropriate organisational and structural change support to client institutions.</p>
	<p>⚠ Run its operation cost effectively so that a clear return on investment can be demonstrated.</p>

Section 3- Service Delivery

In order to provide an optimised, comprehensive service to client institutions, APUC is formed of four primary delivery workstreams, which is supported by a small Corporate Services team.

Delivery By Workstream

Collaborative Contracting

incl Supplier Relationship Management

Providing and managing a Contract and Supplier Relationship Management service driven by Institutions' requirements and needs, informed by a Supplier Relationship Management approach, user intelligence groups, the sectors' Procurement Strategy Groups and Supplier involvement – facilitated via a Client account management approach.

eSolutions

Facilitating Scottish Government and sectoral e-systems implementations and ongoing support . Managing information to underpin benefits tracking and reporting. Developing, implementing and supporting systems where there is no suitable off-the-shelf solution suitable for the sector. Overall the eSolutions teams supports the sector in the use of 8 procurement process related systems.

Development & Sustainability

Managing developments in processes, legislation and policy, disseminating best practice information and facilitating procurement training for client institutions. Ongoing management of APUC's Sustainable Procurement development programme, the sector's PCA Programme, its trainee management programme and management of strategic projects.

Institutional Services

Operational and Strategic service delivery within client institutions either as an embedded resource operating inside universities and colleges or / and providing client management services for all colleges including tendering project management for high value / above EU threshold tenders, procurement process and development support and assistance in implementation of framework agreements.

4) High Level Strategic Deliverables

Set out below is the high level deliverables of the APUC 2015- 2018 Strategy, they are set out by Workstream. APUC also has a Delivery Plan that defines the specific activities that will occur in order to meet these high level deliverables and the wider operational requirements of APUC's client community.

Collaborative Contracting

- ⊗ *Introduce optimised Contract and Supplier Management Service - working with Institutions, initially identifying key collaborative contracts to start the process and develop the appropriate governance and resources to fulfil it.*
- ⊗ *Develop metrics for the selected contracts to measure contract compliance, added value activities and supply chain innovation.*
- ⊗ Improve utilisation of collaborative agreements – target of over 40% of sector recurrent procurement spend being via collaborative agreements
- ⊗ Enable the sectors to make savings versus market price of over £20m per year via collaborative agreements

eSolutions

- ⊗ Develop and implement web publishing of institutional contract registers by Q4/ 2015
- ⊗ Provide a project facilitation service and user support services for implementation of eInvoicing technology for implementation in line with EU Directives
- ⊗ Develop and manage a client interface solution so that all key procurement data relating to them can be obtained from a single portal

Development & Sustainability

- ⊗ Implement a recurrent supplier development / liaison programme to ensure SME's, supported businesses and third sector organisations are confident in taking part in the bidding process
- ⊗ Provide "Prelim" new format AR15 Procurement Capability Assessments to assist the sector in preparing and improving for the 2016 assessment programme and first cycle (2017-18)
- ⊗ Develop and publish Carbon Reduction Guides by category / commodity to assist the sector in targeting carbon reduction in the supply chain.

Institutional Procurement Services

- ⊗ Implement a new structure to support local institutional shared procurement service and the College Service team by Q4/2015
- ⊗ Provide tender support for all Colleges for all above EU level tenders
- ⊗ Undertake annual operational service reviews for all locations where APUC provides local (institutional) procurement shared services. Also offer the service on request for institutionally managed teams

Annex 1 – Synchronisation with the Scottish Public Procurement Reform Programme

APUC has and will continue to operate as the key link point between the University and College sectors and the Scottish Government in moving forward the Public Procurement Reform Programme in a manner appropriate to the priorities and structure of the institutional clients. It shall provide the dual role of representing the interests of the client community while taking a lead role in procurement reform implementation within the sectors.

The publicly funded sectors and the Scottish Government collectively manage the Reform Programme through the Public Procurement Reform Board (where the CEO of APUC and a senior stakeholder from the HE/FE sector (normally the Chair of APUC Board) represent the sector), and the Procurement Reform Delivery Group, where the APUC Chief Executive represents the sectors. The PRDG has various Forums that delivery the Reform Programme objectives, including the Collaborative Leads Group (sector represented by the APUC Head of Operational Procurement), the eCommerce Forum (sector represented by the APUC Head of eSolutions & senior client institution staff) and various Best Practice, Development and Policy forums (sector represented by the APUC Head of Development & Sustainability or their deputy plus senior client institution staff).

The Public Procurement Reform Programme is now moving into its third phase of reform, the key aspects of that phase being based on four outcome areas supported by the procurement capability development of people and organisations.

Significant legislative changes in the form of the Procurement Reform Act and EU Directives (in particular digital inclusion) and the implications of public sector reform (including the implementation of the Construction Review recommendations) will underpin, inform, drive and impact strategic direction and the prioritisation of reform initiatives throughout this phase. The overall outcomes targeted for delivery (for 2017) through the third phase of the Public Procurement Reform Programme are set out below:

Sustainability	Access & Supplier Development	Efficiency and Collaboration	Savings & Benefits
Scotland will lead the way in ethical and sustainable procurement, delivering measurable local economic, environmental and social benefits	An increasing number of SMEs and 3rd sector bodies will be accessing public contract opportunities and doing business with the publicly funded sectors	Publicly funded procurement will be based on more standardised processes delivered through e-commerce and will continue to have an active and managed forward programme of collaboration within and between sectors	Publicly funded bodies across Scotland will be delivering and reporting savings and broader benefits from procurement and from the on-going commercial management of contracts
Capability			
Publicly funded bodies in Scotland will achieve a further step-change in procurement capability and put in place recruitment, training and skills development opportunities to develop the next generation of procurement leaders			

The third phase of reform will continue and develop our highly successful cross sector collaboration. APUC works closely and will continue to work closely with the other sectoral Centres of (procurement) Expertise (CoEs), NHS-National Procurement, Scotland Excel (local authorities) and the Government's Scottish Procurement and Commercial Directorate (representing Central Government and NDPBs). APUC and the other sector's CoEs will also bring suppliers forward to develop their competitiveness and service capability in contract delivery.

Annex 2 - Synchronisation on a UK Platform

The University sector across the UK (and particularly in Scotland) and the College sector in Scotland have been at the forefront of procurement collaboration for many years. This collaboration to date has yielded significant savings for the sectors each year, both before the formation of APUC and increasingly since its formation.

APUC works in partnership with all of the other UK regional HE/FE purchasing consortia (SUPC, LUPC, NWUPC, NEUPC and HEPCW) as well as the catering focussed, UK wide consortium, TUCO.



As the key contracting area for APUC is Category B (contracts used consistently across defined sectors), then naturally the greatest synergies for the University and College sectors are with similar bodies across the UK where the leverage over spend and supply market influence can be maximised.

The collective identity for the HE/FE sector consortia that collaborate across the UK is the "UK Universities Purchasing Consortia" or UKUPC for short.

The APUC Chief Executive sits on the UK wide steering group for UKUPC (this was previously known as the Heads of Consortia Group). This brand will be used for activities that are delivered jointly across the UK.

Operationally this is co-ordinated through the (HE & FE) Joint Contracting Programme where the Head of Operational Procurement represents APUC and the Scottish sectors' needs. A UKUPC collaborative contracting protocol has been agreed and has been in use since early 2012 and forms the basis for the way that the regional collaborative contracting consortia operate across the UK.

APUC's eSolutions team have developed in-house, an enterprise management system known as Hunter which is tailored to the specific needs of a collaborative procurement organisation. In order to aid co-ordination and have all UK collaborative contracting activity operationally managed on a single platform, Hunter is shared across all UKUPC members.

APUC and Universities (& some Colleges) are members of the Higher Education Procurement Association (HEPA), this has recently been formed from the merger of Higher Education Procurement Academy and the Professional Procurement Group (which itself was renamed from the Association of University Procurement Officers).



APUC works with HEPA on development of many of the tools and guidance that it produces or publicises. APUC also works in partnership with HEPA (covering England and Northern Ireland) and HEPCW (covering Wales) to provide a joint UK wide representative body for the HE sector in matters relating to procurement.

In response to the Diamond Report on Efficiency and Effectiveness, Procurement UK was formed as a short term (2-3 years) strategic oversight group within Universities UK to monitor and assist the sector in delivering against the targets set out in the report. Although it mainly focusses on English HE (most of the targets are already exceeded in Scotland), APUC plays an active part on the group to assist with UK wide cohesion.



APUC works collaboratively, wherever there is value for our client institutions, with partner procurement organisations within the UK government, such as the Cabinet Office's Crown Commercial Services and with the Shared Business Services unit within the UK Research Councils shared operation.

