



Advanced Procurement
for Universities & Colleges

APUC Operational Procurement Strategy and Action Plan

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Owner	Head of Operational Procurement and Compliance
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Contents

1. Introduction	page 3
2. Core Vision and Mission Statement	page 3
3. Strategic and Operational Context	page 3
4. Strategic Procurement Objectives	page 4
5. Compliance with the Procurement Reform (Scotland) Act	page 5
6. Annual Reporting	page 8
7. Strategy Ownership and Contact Details	page 8
8. Appendix 1 – Action Plan	page 9

1. Introduction

This Advanced Procurement for Universities and Colleges (APUC) Operational Procurement Strategy is aligned with the corporate aims and objectives of APUC, established collaborative initiatives and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014. The Strategy is established through engagement with different stakeholder groups within the Higher Education and Further Education (HE/FE) Sectors using a variety of group forums and smaller meetings. Through this consultation, APUC's Operational Procurement 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. This Strategy was reviewed and approved by the Chief Executive of APUC and the APUC Board in July 2021.

Note that due to high levels of volatility and disruption already being caused by Brexit and the ongoing Covid-19 situation, which is expected to continue, many aspects of this strategy may be subject to change in order that APUC may dynamically adapt to best support its member institutions deal with these challenges. Due to the uncertainty and lack of predictability of impacts related to these factors, the actions to deal with them have not been specifically set out in this strategy but are instead being managed via the relevant established channels of activity management.

2. Core Vision and Mission Statement

APUC is committed to obtaining value for money in all of its Framework Agreements and transactions, and in conducting its daily business, staff must consider APUC's wider responsibilities in terms of legal, ethical, social, economic and environmental impact. Effective operational procurement will support APUC's key objectives across these important operational dimensions.

The Core Vision and Mission Statement 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 and shared service optimisation”***.

3. Strategic and Operational Context

This Strategy sets out the strategic approach to operational procurement within a challenging economic, legislative and regulatory environment. The Strategy is used in conjunction with APUC's Delivery Plan and overarching corporate Strategy to 2022 and beyond. The Action Plan element of the Operational Procurement Strategy translates the strategic objectives and desired outcomes into the detailed actions and processes required to maintain a cost-effective (and legally compliant) procurement operation.

APUC is one of the Centres of Expertise (CoE) formed as a result of the McClelland Review of Public Procurement in Scotland, published in March 2006. APUC was formed in 2007, is owned and controlled by all of Scotland's Universities and Colleges. APUC conducts procurement processes across a broad range of products and services and enters into collaborative Framework Agreements for its members to access. APUC is the key link between the HE/FE sector and Scottish Government in taking forward the Public Procurement in Scotland Programme in ways that are supportive to the priorities and structure of the institutional clients. APUC carries out the dual role of representing and enhancing the interests of the client community in procurement matters including taking the lead role in furthering procurement improvements / development and implementation within the HE and FE sectors as well as supporting these sectors in playing their part in implementing relevant government policy around procurement reform.

With regard to Public Procurement in Scotland, APUC works closely with the other sectoral CoE's. These are NHS National Procurement, Scotland Excel (for Local Authorities) and the Government's Scottish Procurement and Commercial Directorate (representing Central Government and NDPB's). This collaborative effort is directed towards the delivery of what is known as the Scottish Model of Procurement, which defines value for money as the best balance of cost, quality and sustainability

which is reflected throughout strategy development, reporting and procurement processes. In addition to this, APUC works collaboratively with all of the other UK regional / specialist HE/FE purchasing consortia (TUCO, TEC, SUPC, LUPC, NWUPC, NEUPC and HEPCW) to ensure best practice, drive value for money and obtain added benefits to our client institutions.

The APUC client institution community has clear service expectations. These expectations form the core scope of APUC's responsibilities and strategic operations and have been arrived at and developed through regular dialogue with senior stakeholders within every client institution in Scotland and the key stakeholders across the Public Procurement Reform Programme / Public Procurement in Scotland.

4. Strategic Procurement Objectives

In order to maintain an optimised, comprehensive service to client institutions, APUC operates through workstreams. The two procurement workstreams focussed on in this Operational Procurement Strategy are Collaborative Contracting and Institutional Procurement Services with specialist enabling workstreams to enhance the delivery of procurement including eSolutions and HR, Development and Comms.

Procurement Workstreams overview:

- **Collaborative Contracting:** This provides and contract manages a suite of appropriate Framework Agreements driven by Institution's requirements and needs, informed by user intelligence groups, the sector's Procurement Strategy Groups (PSG), supplier involvement and a annual Contracting Priorities Workshop to establish a forward plan and/or a Procurement Development Workshop to support and develop the Sector. This is facilitated by an account management approach. Collaborative Contracting operates on a category management basis focussing on Estates, Information Services, Labs, Professional Services and HR. Other specialist supporting areas within Collaborative Contracting include Responsible Procurement to manage APUC's sustainable / responsible procurement development programme and managing developments in processes, legislation and policy to disseminate best practice information and develop procurement training content for client institutions and APUC Supply Chain procurement managers. From May 2021 this Team offers a new tailored service to institutions to assist in implementing Responsible Procurement in institutional / category plans and tenders covering aspects such as climate change, pollution risk and human rights / modern slavery.
- **Institutional Procurement Services:** This is generally a specifically funded team, funded by the specific institutions consuming the relevant services. It aims to provide operational and strategic shared procurement service delivery for client institutions. This is either as an embedded procurement team leading the procurement service for the institution, staffed by APUC secondees operating under local management, or in the form of an account managed service for institutions to provide tender support for high value/regulated tenders, instilling best practice through procurement policies/processes and ad hoc support and assistance as required.

The main specialist enabling workstreams are:

- **eSolutions:** Providing eTools to enable (APUC) Collaborative Contracting and member institutional procurement teams across Scotland to most effectively undertake their roles. This includes systems such as an in-house client interface solution to ensure that all procurement data can be obtained from a single portal, collaborative opportunities can be identified, contract registers can be created in line with the Procurement Reform (Scotland) Act 2014 and procurements can be advertised in an open, fair and transparent manner.

- **HR, Development and Comms:** Aims to manage and deliver the HE/FE sector's procurement training programme for all its procurement professionals, the sectors' trainee/graduate programme, as well as provide the internal HR and Corporate Communications services for APUC.

These workstreams take responsibility, both singly and jointly for activities that underpin four strategic procurement objectives.

- Optimisation of savings and added value benefits through collaboration for Universities and Colleges;
- Consolidation of effective, efficient and appropriately resourced procurement operations;
- To embed sound ethical, social and environmental policies within sectoral procurement and to implement the Sustainable Procurement Duty in Higher Education and Further Education;
- Establishment of robust legal compliance, best practice and supplier engagement.

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

The inclusion of the following statements in APUC's Operational Procurement Strategy is included to demonstrate how APUC will deliver the requirements of the Procurement Reform (Scotland) Act 2014.

Statement on APUC's general policy on the use of community benefit requirements

For every relevant procurement over £4m, APUC will consider community benefits in all of its Framework Agreements on a proportionate basis. This will include, whenever feasible, ensuring that an Institution undertaking a call-off can capture community benefits which are directly applicable to them. APUC gather best practice and work cross-sectorally to help deliver community benefits.

Statement on APUC's general policy on consulting and engaging with those affected by its procurements

For each relevant procurement, APUC will consider, as appropriate, the community affected by the resultant Framework Agreement and ensure, where possible and appropriate, that any affected Institutions/persons are consulted. Such consultation will always be on a scale and approach relevant to the procurement in question. APUC undertake an annual Contracting Priorities Workshop (CPW) to determine its contracting programme for Cat A, B and where appropriate regional and / or technical Cat C1 requirements and holds quarterly Procurement Strategy Group meetings with the University and College sectors to ensure their needs and requirements are being met. APUC holds (normally except in 2020 due to Covid-19) a annual Procurement Network Conference to share best practice and to provide continuous professional development to colleagues in the sector. This Procurement Networking Conference has been scheduled for later in 2021. A customer survey is issued annually to invite feedback. This feedback informs future collaborative procurement activity and delivery of continuous professional development.

Statement on APUC's general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

Although it is unlawful to require payment of the Living Wage in public sector tenders, APUC recognises the values of and supports actions to enable a well-motivated and dedicated workforce both in its own organisation and in those of its clients and suppliers. Where relevant and proportionate, APUC will consider the fair work practices of suppliers in its procurements, including the application of the Living Wage through its Framework Agreement tender process. APUC also assesses the supply chain through its Supply Chain Management (SCM) Responsible Procurement tool.

Statement on APUC's general policy on promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 (c.37) and any provision made under that Act

APUC 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 Framework Agreement by Framework Agreement basis, APUC will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Compliance is mandated in the APUC standard Terms and Conditions and continuing compliance is managed through ongoing Contract Management activity. Where proportionate, APUC may consider assessing sub-contractors compliance of specific legislation.

Statement on APUC's general policy on the procurement of fairly and ethically traded goods and services

Wherever relevant and possible APUC shall make use of appropriate standards and labels in its procurements to maximise incorporation of fair and ethical trading considerations and will consider equivalent offerings from suppliers in its tenders and maximise the use of lifecycle costing. APUC will also encourage use of Framework Agreement conditions that provide assurances on fair and ethical supply chains.

Statement on APUC's general policy on how it intends its approach to regulated procurements involving the provision of food to: improve the health, wellbeing and education of communities in the organisation's area; and promote the highest standards of animal welfare

APUC aims to facilitate the supply of healthy, fresh, seasonal, and sustainably grown and ethically harvested 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. Where appropriate, APUC will embed standards/labels criteria in tender documentation and will work closely with its internal Responsible Procurement team, and external CoE's and UK HE/FE Consortia to ensure similar requirements are flowed out nationally to create standardisation and to ensure compliance.

Statement on APUC's general policy on how it intends to ensure 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

- **Payments due by the authority to a contractor.**
- **Payments due by a contractor to a sub-contractor.**
- **Payments due by a sub-contractor to a sub-contractor**

APUC complies with the Late Payment requirements and will review on a Framework Agreement by Framework Agreement basis whether such obligations are relevant and should be enforced and monitored further down its supply chain.

Statement on APUC's general policy on how it intends to ensure that its regulated procurements will be carried out in compliance with the Sustainable Procurement Duty

APUC 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 activity will be made, where appropriate and on a Framework Agreement by Framework Agreement basis and embed where appropriate. APUC will utilise available tools and systems such as Prioritisation, Life Cycle Impact Mapping, Sustainability Test, Flexible Framework, APUC's Sustain Supply Chain Code of Conduct, SCM Responsible Procurement tool and Electronics Watch where relevant and proportionate to the scope of the procurement. APUC have put in place a Responsible Procurement Action Plan (RPAP) for its Collaborative Procurement activity to consider all responsible procurement requirements across each category which includes focussing on addressing the Climate and Ecological Emergency and its impacts. APUC have also updated and re-published category specific Responsible Procurement Supply Chain guides which provide guidance on responsible procurement issues based on category and commodity specific

prioritisation. Moving forward these will be aligned to the Primary Impact Areas of Climate Change (PIACC) guides. Furthermore, APUC are working on completing FNT2030 category action plan templates for all relevant PIACC areas to assist with the planning and implementation of action on dealing with the Climate and Ecological Emergency.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose.

APUC will analyse its client Institutions expenditure to identify opportunities for collaboration. The Collaborative Contracting workstream has a category management structure in place to deliver Framework Agreements to meet the sector's requirements. It has highly competent procurement professionals to ensure compliance with the Regulations and the Procurement Reform (Scotland) Act and support from within Collaborative Contracting on processes, legislation and policy for guidance and training and eSolutions for systems and tools. The Collaborative Contracting team work with other HE/FE Consortia across the UK and across sector CoE's in Scotland to deliver collaboration, best practice and added value benefits. All this assists in the delivery of APUC's strategic objectives.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will deliver value for money.

APUC will facilitate the use of collaborative contracting arrangements (e.g. UK HE/FE, national, sectoral or local Framework Agreements) to deliver improved contract terms, contract and supplier management, responsible procurement outcomes and value for money. APUC operates and reports under the Scottish Cross-Sector and UKUPC Procurement Benefits Reporting Guidance which is used on a cross-sector Scotland wide and UK HE/FE sectors basis to demonstrate both cash and non-cash/efficiency savings. APUC is also part of the Scottish cross sector Collaborative Leads Group (CLG) and the UK HE/FE Joint Contracting Group (JCG) which focuses on collaborative working at a Cat A, Cat B and where appropriate regional Cat C1 level to ensure best practice and to drive benefits. Key stakeholders both internal and external are consulted with at all appropriate times to ensure aims and objectives are being achieved.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination.

APUC will conduct all regulated procurements in compliance with the Regulations demonstrating equal treatment, non-discrimination, transparency, proportionality and mutual recognition. APUC will utilise portals including PCS and PCS-T to publish its procurement opportunities and shall strive to ensure appropriate use of lotting, output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible. In addition, APUC uses an online evaluation portal to ensure tender responses are evaluated in a fair and transparent manner.

APUC 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 and values in the conduct of their business.

APUC takes steps to make it easier for smaller businesses to bid for Framework Agreements. Legislative constraints preclude preferences for only local suppliers but the local dimension can be addressed through the structure of tenders, the use of Public Contracts Scotland and training.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner.

APUC will make appropriate use of collaborative contracting arrangements (e.g. UK HE/FE, national, sectoral or local framework agreements or contracts) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.

As noted earlier, APUC will utilise portals including PCS and PCS-T to publish its procurement opportunities and shall strive to ensure appropriate use of lotting, output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible. In addition, as noted before, APUC will use an online evaluation portal to ensure tender responses are evaluated in a fair and transparent manner.

APUC apply approaches to make it as simple as possible for smaller businesses to bid for Framework Agreements. Whilst legislative constraints preclude preferences for only local suppliers, APUC will ensure that through the structure of its tender documentation, the use of PCS and PCS-T and the publication of a contracts register, information to smaller local providers will be available to assist them to build capacity to be able to bid for these requirements.

In addition, APUC acts in a transparent manner by publishing its contracting plan on its website, making documentation available to its clients on the Buyers Portal and issuing its forward plan on the Scottish Government website. APUC encourages the use of PINs to test the market where appropriate and holds Meet the Buyer events where relevant to encourage supplier engagement. APUC also attends wider events such as the supplier development programme and Procurex conference.

6. Annual Reporting

APUC will produce an annual report on progress against its procurement objectives and publish this on APUC's website. This report, produced as soon as practicable after the end of each academic year, will describe how APUC has discharged its obligations under the 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 -

- a summary of the regulated procurements that have been completed during the year covered by the report,
- a review of whether those procurements complied with APUC's Operational Procurement strategy,
- to the extent that any regulated procurements did not comply, a statement of how APUC intends to ensure that future regulated procurements do comply,
- a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- a summary of the regulated procurements APUC expects to commence in the next two financial years,
- a summary of the work APUC is doing across a variety of areas of sustainable / responsible procurement, including a focus on addressing climate change impacts in our supply chain,
- such other information as the Scottish Ministers may by order specify.

7. Strategic Ownership and Contact Details

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APPENDIX 1 – ACTION PLAN

Note that due to high levels of volatility and disruption already being caused by Brexit and the Covid-19 situation and which are expected to continue, all of the following is subject to change in order that APUC may dynamically adapt to best support its member institutions deal with these challenges.

Objective	Outcomes	Main Actions & Commitments
Optimisation of savings and added value benefits through collaboration for Universities and Colleges	Analyse Spend profiles and Institutional strategies to identify optimal levels and areas for developing collaborative spend. Work towards reaching optimum levels using market analysis and end user engagement.	Continually analyse all institutions spend to identify opportunities for developing collaborative spend. Output of the spend analysis offers a platform for enhanced procurement strategy development with institutions.
	Maximise savings and benefits from delivery of a comprehensive collaborative procurement programme.	In an increasingly volatile supply chain, benefits achieved in line with targets agreed with the APUC Board.
	Continue to optimise routes to market.	Fully embed all possible Framework Agreements, high efficiency “desktop selection” supplier selection methods.
	Implement / maintain / further-develop a high effectiveness contract and supplier management programme.	Establish an integrated performance and innovation based Responsible Procurement programme with dedicated / focussed resources, commencing delivery across all APUC Categories. Embed Sustainable procurement activity from Strategy through to Contract Management with dedicated expertise. Sustainable Champions have been introduced to enhance this process. Fully embed an online Contract Management and Responsible Procurement Tool called SCM to manage the Contract Management process and relevant documentation.

	Undertake an optimisation review to ensure that all Frameworks that have effective regional supply chains are tendered in regional lots.	Review of Contracted Framework Agreements in place to determine where regional supply chains would be appropriately undertaken. Implement a revised tendering programme considering regional impact and potential lotting based on outcomes of review.
Consolidation of effective, efficient and appropriately resourced procurement operations	Facilitate preparation then run PCIP re-assessment for all in-scope Universities and Colleges from October 2022 to April 2023.	Development and preparation support provided by APUC based on updated assessment criteria from November 2021 to December 2022
To embed sound ethical, social and environmental policies within collaborative procurement and to implement the Sustainable Procurement Duty in Higher Education and Further Education (HE/FE)	Bring an increase to, and then maintain deep assessment of ethical / environmental responsible aspects of procurement supply chains.	High risk / opportunity suppliers to be regularly prioritised with an increasing focus on climate change (alongside the existing priorities). Suppliers of high relevance to this area will be selected for deeper supply chain assessment. Incorporate the five Fair Work First criteria into all APUC Framework agreements to encourage suppliers to embed and commit to deliver.
	Develop and Implement a Responsible Procurement Action Plan and work in partnership with other collaborative partners to deliver.	A Responsible Procurement Action plan has been developed and then implemented. Going forward additional focus will be placed on the climate emergency and mitigating the impacts. Delivery will be maximised by working collaboratively.
	Introduce and manage a Supply Chain Green House Gas (GHG) emission reduction programme.	To develop tools and issue Responsible Procurement category guides to increase effectiveness of key GHG emission supply chain areas. In response to the global climate emergency APUC will align corporate commitments to work towards net zero greenhouse gas emissions framework agreements wherever possible by 2030 and is working with the sector collaboratively to achieve this. For each Category Team to complete a FNT2030 Category Action Plan Template using the C&PF guidance provided, for all relevant PIACC areas to assist with the planning and implementation of action on the Climate & Ecological Emergency by December 2021.

		<p>To embed principles around circular economy in Framework Agreements and encouraging suppliers to commit to circular economy activity through innovation.</p> <p>Reporting ongoing progress on Climate & Ecological Emergency and Circular Economy outcomes.</p>
Establishment of robust legal compliance, best practice and supplier engagement.	Develop and implement eLearning package on tackling Modern Slavery in the Supply Chain.	Maintain and update an eLearning package on tackling Modern Slavery in the Supply Chain which is available to the sector.
	Deliver a suite of solutions to ensure businesses of all sizes have access to and understand how to bid for sector business.	On-line content (narrative and video) created, undertake Meet-the-Buyer events and targeted local business awareness sessions to be delivered throughout the life of the strategy across Scotland.
	Develop and maintain a platform of eLearning modules for Procurement learning and development.	Seven eLearning modules are available to the Sector. Modules to be maintained / updated / added to as required ongoing.