# Procurement Strategy and Action Plan

Financial Years 2017-2019

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<tr>
<th>Status</th>
<th>Final</th>
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<tbody>
<tr>
<td>Owner</td>
<td>Allan Tough, Procurement</td>
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<tr>
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<td>PROC-REF-001</td>
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<td>Consultation</td>
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<td>Endorsed</td>
<td>Carol Prokopyszyn, Finance</td>
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1. Executive Summary
The University of Dundee Procurement Strategy is aligned with the University strategic goals, and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014.

2. Strategic Context
The University is currently operating in an uncertain external environment with many challenges from an economic, legislative and regulatory perspective. In this context, the University has set a 25 year vision to 2022 of becoming Scotland’s leading University in five year strategies. Significant progress was made in 2012-2017, resulting in an improved position across all of the major university rankings. The current strategy builds on the achievements of the last five years. The strategy to 2022 continues to focus on the University’s core values of valuing people, working together and with integrity, making a difference, and pursuing excellence.

As well as meeting the requirements of the Procurement Reform (Scotland) Act 2014, this Procurement Strategy ensures the University’s approach to Procurement meets our wider strategic aims and objectives. The Action Plan section translates the strategic aims into lower level objectives required to deliver the Mission.

3. Procurement Mission Statement
The University of Dundee’s Procurement mission statement is to ensure the University obtains value for money and that the procurement policies, procedures and activities support the University’s goal of becoming Scotland’s leading University, by facilitating innovation and taking a proportionate account of legal and ethical risks as well as social, economic and environmental impacts.

4. Strategic Objectives
The procurement objectives are as follows:
- Deliver value for money through good procurement practice including involvement in collaborative procurement initiatives and purchasing consortia as required. [Strategic Goal – Deliver sustainable ambition]
- Support Schools and Directorates to enhance the student experience at the University by providing innovative solutions for their procurement requirements. [Strategic Goal – Enhance University performance and reputation]
- Develop a suite of key performance indicators (KPIs) as well as other management information to measure and improve procurement-related activities and supplier performance assisting key stakeholders across the University to meet their requirements. [Strategic Goal – Enhance University performance and reputation]
- Embed ethical, social and environmental policies within the University’s procurement function to ensure compliance with relevant Scottish, UK and EU legislation in performance of the sustainable procurement duty. [Strategic Goal – Deliver sustainable ambition]
- Sustain and further develop partnerships within the sector, with other publicly funded and professional bodies, and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement. [Strategic Goal – Deliver sustainable ambition]
5. **Compliance with the Procurement Reform (Scotland) Act**

The inclusion of the following statements in the University Procurement Strategy is mandatory to demonstrate how the University will deliver the requirements of the Procurement Reform (Scotland) Act.

**Statement on the University’s policy on the use of community benefit requirements**

For every procurement over £4m, the institution will consider how it can improve the economic social or environmental wellbeing of its area potentially through the inclusion of community benefit clauses, to assist with its strategic objective of intensifying our impact locally and globally. Such improvements could be implemented through the delivery of targeted recruitment and training or subcontracting opportunities within the University’s operating area. Where possible and proportionate, the University will also look to include such clauses in procurements below the £4m threshold.

**Statement on the University’s policy on consulting and engaging with those affected by its procurements**

The University will establish whether the wider community is affected by the relevant contract and will ensure any affected organisations/persons are consulted. Such consultation will always be proportionate to the procurement in question.

**Statement on the University’s policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements**

Through the application of the APUC Supply Chain Code of Conduct, the University will encourage the fair work practices of suppliers in its procurements.

**Statement on the University’s policy on promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act (2.5.9)**

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 procurement and take steps to ensure bidders comply with such legislation.

**Statement on the University’s policy on the procurement of fairly and ethically traded goods and services (2.5.10)**

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 procurement exercises to take account of fair and ethical trading considerations, and will consider equivalent offerings from suppliers in its tenders. The APUC Supply Chain Code of Conduct is embedded in both the tender documentation and as part of the new supplier process.

**Statement on the University’s 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 (if applicable) (2.5.11)**

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. Through the implementation of Category Management the University’s catering requirements will be managed by the Category Manager for Facilities Management who will ensure affordable contracts are put in place, which meet the nutritional requirements for food for all users.

**Statement on the University’s 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

The institution 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.

Statement on the University’s policy on how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty

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 institution will utilise available tools and systems such as Prioritisation, Life Cycle Impact Mapping, Sustainability Test, Flexible Framework, APUC’s Code of Conduct, Sustain and Electronics Watch where relevant and proportionate to the scope of the procurement. The University shall identify appropriate contract areas where it can proactively engage with third sector bodies and supported businesses. The University has published its Modern Slavery and Human Trafficking Statement to comply with the Modern Slavery Act 2015.

Statement on the University’s policy on how it intends to ensure that its regulated procurements will contribute to the carrying out of its function, achievements of its purpose and deliver value for money

The University will analyse third party expenditure to identify ‘EU regulated procurements’ (Goods and Services worth more than £181,302 and Works worth more than £4,551,413) and ‘lower value regulated procurements’ (Goods and Services worth more than £50,000 and Works worth more than £2 million). The University will sort regulated procurements into procurement categories. Goods, Services and Works are bought through multiple methods including joint purchasing, use of local, regional and national framework agreements. Consolidated contracting – will be subject to annual review with APUC and through user consultation, optimal category strategies agreed, sensible aggregation opportunities exploited, category and commodity strategies developed, recorded and the most appropriate procurement routes to market chosen. This will be done in consultation with key internal stakeholders to ensure that Directorate, School and Institutional aims and objectives are better achieved.

Statement on the University’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.

The University will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality, mutual recognition and in line with the University’s Procurement Code of Ethics. The University of Dundee 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 contract opportunity is accessible to as many bidders as possible. The University will ensure that it awards regulated procurements only to businesses that are capable, reliable and, where relevant, can demonstrate that they meet high ethical standards in the conduct of their business.

Statement on the University’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.

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.

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 -

- 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 the University’s Procurement Strategy,
- 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,
- 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 the University expects to commence in the next two financial years,
- 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

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<tr>
<th>Objective</th>
<th>Outcomes</th>
<th>Main actions and commitments</th>
<th>Timescales</th>
<th>Key Measurements</th>
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<tbody>
<tr>
<td>Procurement will promote the delivery of value for money through good procurement practice and optimal use of collaborative opportunities through the implementation of Category Management</td>
<td>Resource plan for implementing Category Management across the University ensuring all areas of spend are addressed by a Category Manager</td>
<td>Develop resourcing plan for implementing Category Management</td>
<td>Aug 2017</td>
<td>Actionable resource plan in place</td>
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<tr>
<td>Category Strategies in place for all categories</td>
<td>Develop Category Strategies for all categories of spend</td>
<td>Aug 2018</td>
<td>Category strategies in place and published on procurement website</td>
<td></td>
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<td>Clear Procurement Strategies in place for all contracts in excess of £50k.</td>
<td>Develop a standard approach to implementing contract strategies detailing the approach to market and contract reports detailing the results of approaching the market</td>
<td>Jun 2018</td>
<td>Contract strategies in place for all contracts over £50k in value.</td>
<td></td>
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<td>Implement a value for money approach to low value purchasing requirements</td>
<td>Develop a policy and any associated procedures covering low value purchasing requirements in order to ensure value for money is being obtained</td>
<td>June 2018</td>
<td>Low value purchasing policy and procedures in place and publicized on website.</td>
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<td>Purchase-to-Pay requirements reviewed in order to meet Procurement management information requirements</td>
<td>Published P2P Strategy including requirements for a new ERP system.</td>
<td>Develop a P2P Strategy covering Procurement requirements for a new ERP system.</td>
<td>Aug 2017</td>
<td>P2P Strategy in place</td>
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<tr>
<td>Support for the implementation of a new ERP system</td>
<td>Develop resourcing plan for implementing a new ERP system</td>
<td>Aug 2017</td>
<td>Resourcing plan in place</td>
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<td>Procurement will support Schools and Directorates to achieve their objectives by providing innovative solutions for their procurement requirements.</td>
<td>Target the right people with the right information at the right time.</td>
<td>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</td>
<td>Ongoing</td>
<td>Number of stakeholders that Procurement identifies as being key in terms of value of expenditure or risk rating</td>
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<tr>
<td>Procurement’s profile raised and relationships built with key stakeholders</td>
<td>Regular meetings with key stakeholders</td>
<td>Ongoing</td>
<td>Total expenditure for these key stakeholder areas</td>
<td></td>
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<td>Project an appropriate image of Procurement as being an outcome focused function through consistent communications</td>
<td>Develop wider stakeholder training material and deliver it to key stakeholders</td>
<td>Feb 2019</td>
<td>Number of training sessions delivered</td>
<td></td>
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<td>Procurement will develop management information to measure and improve procurement performance.</td>
<td>Published (internal) suite of measurements for Procurement to be included in reports to Professional Services Group (PSG) and senior management</td>
<td>Development of a suite of KPIs to measure Procurement performance</td>
<td>Jun 2019</td>
<td>Agreed KPIs and performance summary presented and published on a regular basis</td>
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<td>Contract management approach in place for two key contracts in each category</td>
<td>Development of a standardised contract management approach</td>
<td></td>
<td>Jun 2019</td>
<td>Standard approach to contract management in place with 10 contracts</td>
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<td>Procurement benefits and efficiencies reported to Professional Services Group and relevant senior management and/or committee.</td>
<td>Develop a standard approach to the identification, measurement and recording of procurement benefits and efficiencies.</td>
<td></td>
<td>Jun 2019</td>
<td>Benefits and efficiencies reported periodically to professional services group and senior management.</td>
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<td>Customer feedback regarding Procurement performance</td>
<td>Development of a feedback process for Procurement which can be conducted on an annual basis</td>
<td></td>
<td>Sep 2019</td>
<td>Results of feedback published with any relevant actions included in future action plans.</td>
</tr>
<tr>
<td>Embed sound ethical, social and environmental policies within the University’s procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty</td>
<td>Appropriate use of tools to identify high risk categories of spend, embed relevant and proportionate requirements into contracts and analyse opportunities to maximise social, economic and environmental outcomes through procurement action</td>
<td>Amend policies to ensure procurement exercises are undertaken in compliance with the sustainable Procurement duty</td>
<td>Jun 2019</td>
<td>Report produced containing list of high risk categories/contracts.</td>
</tr>
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<td>Appropriate use of Whole Life Costs (WLC) or Total Cost of Ownership (TCO) approaches as part of the commercial evaluation of tender responses for relevant contracts</td>
<td>Identification of suitable contracts and application of the relevant tool (WLC or TCO) during the evaluation</td>
<td></td>
<td>Jun 2019</td>
<td>Multiple contracts in place where TCO or WLC was used as part of the commercial evaluation process.</td>
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