



University of
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Procurement

Procurement Strategy & Action Plan 2016



Procurement

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Section 1: Context

Ever to Excel. The Strategic Plan of the University of St Andrews aspires to consolidate our position as one of the world's leading Universities while continuing to be the top ranked University in Scotland, we will continue to be a place where the values of the life of the mind are respected, nurtured and promoted.

To achieve this we must plan a step change in our performance to further increase quality, volume and impact of our research; to capitalise on our proven ability to develop interdisciplinary activity, to enhance our international presence through the establishment of meaningful partnerships with the best overseas institutions; to grow undergraduate numbers and increase the postgraduate population of the student cohort to 25%, increasing overall student numbers to c.10,000. Such growth will require investment in teaching space, library facilities, student support services and residential accommodation.

We will work closely with the community of St Andrews in delivering this growth. The excellence of the experience of St Andrews is in part built on the success of the town and the Town and Gown relationship. In delivering growth we will take care to do so sustainably.

The Procurement Strategy will be aligned to the corporate objectives of the University, and how we can be proactive in support of these while ensuring we are fully compliant with regulations in delivering the service.

Key in successful delivery of the strategy is understanding the environment the institution operates in, and the challenges and opportunities this presents both academically and commercially. The focus needs to take cognisance of this to ensure external drivers are addressed appropriately.

Section 2: Procurement Strategy (Need)

The Procurement Strategy, used in conjunction with institutional policy, sets out the strategic institutional approach to Procurement within the prevailing regulatory environment. The Action Plan element of the Strategy translates the strategic objectives and aims into detailed actions and process required to deliver best value legally compliant Procurement Operations. Its focus is to build on the structure of engagement and support of all staff involved in procurement of goods, services and works on behalf of the institution, including senior management and other key stakeholders.



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Section 3: Procurement Mission

The Procurement mission is to *'drive the embedding and consistent application of best Procurement practice and to increase the sustainable value for money from the University non-pay expenditure through Advanced Procurement across the Schools, Units, Residences and Senior Management of the University of St Andrews'*.

The University of St Andrews is committed to obtaining value for money in all of its transactions, and in conducting its daily business staff must always consider the institutions wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective Procurement will support the key institutional objectives across these important operational dimensions.

Strategic Procurement Objectives

- Continuing to engage and develop relationships with internal academic stakeholders, professional support service colleagues, senior management and the supply chain to deliver innovation and best value to the learning, research and service support communities through continuing development of effective and co-ordinated procurement activity.
- To promote the delivery of value for money through good procurement practice and optimal use of collaborative procurement opportunities.
- To develop sound and useful management information to measure and improve performance and support corporate planning.

Sustainable Procurement

- To seek out professional development opportunities to enhance the experience and capability of those engaged in the delivery of procurement (and our key stakeholders).
- Continue to explore and develop partnership and collaborative opportunities within the sector (including APUC and EAUC), with other publicly funded bodies, with professional bodies, and appropriately with suppliers that will yield intelligence, innovation and deliver value to users of Procurement.
- To embed sound ethical, social and environmental policies within the Procurement function and to comply with relevant Scottish, UK, and EC legislation in performance of the Sustainable Procurement Duty.



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Section 4: Compliance with the Procurement Reform (Scotland) Act 2014

The table below links the requirements of the Procurement Reform (Scotland) Act 2014 to actions the University's procurement strategy.

Reform Act Requirement	Requirement	Action/Strategy
Relevant and proportionate consultation and engagement when preparing strategy	Optional ('Should')	Prior to formalising a procurement strategy, the University will engage key internal stakeholders to seek feedback on the impact of the strategy. Feedback will inform enhancements for subsequent strategies.
Consulting and engaging those affected by procurement	Mandatory ('Required')	Where appropriate, prior to a procurement exercise, the University will identify and consult with key internal stakeholders and suppliers affected by the upcoming procurement activity.
Approval of strategy	Optional ('Should')	The University Executive will approve the 2016 Procurement Strategy and 5 yearly updates. Interim updates (<i>e.g.</i> for statutory compliance) will be approved by the Quaestor & Factor (<i>to reduce the approval process for what are likely to be minor annual changes</i>).
Publishing of strategy	Mandatory ('Required')	The University will publish, and update annually, the Procurement Strategy on the internet at http://www.st-andrews.ac.uk/procurement/
Ensure regulated procurements contribute to the University's functions and achievements	Mandatory ('Required')	Strategic procurement objectives are aligned to the University of St Andrews Strategic Plan. Relevant consultation will be conducted when developing a procurement strategy (applies to category and one-off procurement strategies also).



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Reform Act Requirement	Requirement	Action/Strategy
Ensure procurements deliver value for money	Mandatory ('Required')	<p>Purchasing of goods and services will be subject to ongoing review [with APUC, end user / key stakeholder and where appropriate, supplier consultation]. Review will allow:</p> <ul style="list-style-type: none"> • Optimal category strategies and approach to market to be developed and agreed • Sensible aggregation opportunities identified • Most appropriate procurement routes to market chosen <p>Where appropriate, collaborative contracts will be used to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.</p> <p>Quality, risk and sustainability factors, along with cost, will inform decisions to award regulated contracts.</p> <p>The University will ensure that it awards regulated procurements only to businesses that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards and values in the conduct of their business.</p>



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Reform Act Requirement	Requirement	Action/Strategy
Ensure procurements treat suppliers equally and without discrimination	Mandatory ('Required')	<p>End user and market engagement will allow the University to understand the market for goods and/or services and potential alternative solutions.</p> <p>The University will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.</p> <p>The University will continue to take steps to make it easier for smaller businesses to bid for contracts. 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, training, constructive feedback and information to build capacity, and publishing a contracts register to highlight contracts for which local organisations may be interested in bidding.</p>
Ensure procurements are transparent and proportionate	Mandatory ('Required')	The University shall utilise portals including PCS 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.



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Reform Act Requirement	Requirement	Action/Strategy
Sustainable procurement duty	Mandatory ('Required')	<p>To prioritise and assess sustainability risks and opportunities, the University will utilise a range of available tools. Including, where appropriate, Prioritisation, Flexible Framework, APUC's Code of Conduct, and APUC's Sustain tool.</p> <p>Consideration of environmental, social and economic issues and benefits will be made, where appropriate, and on a contract-by-contract basis during the planning stage.</p>
Community benefits	Mandatory ('Required')	<p>The University's Procurement Policy outlines in more detail the community benefits policy.</p> <p>To summarise, for every procurement over £4m, the University will consider how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with its strategic objective of sustainable development. An example of a community benefit used is the requirement of a main construction contractor to employ an additional apprentice for the duration of a major project.</p>



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Reform Act Requirement	Requirement	Action/Strategy
Payment of living wage	Optional ('Should')	<p>The University recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. It also recognises that the Scottish Government views the Living Wage as a key indicator of an employer's commitment to fair work place practices.</p> <p>Where relevant to the industry, the University will promote the Living Wage in tender documentation.</p>
Health and Safety	Optional ('Should')	<p>Where the delivery of goods, services or works results in suppliers carrying out work on site at one of the University's locations, the supplier will be required to adhere to the Health and Safety (H&S) Policy. Where relevant, the H&S Policy is included in tender documents to ensure all prospective suppliers are fully aware of the University's requirement prior to submitting a tender.</p> <p>For high-risk contracts, a dedicated H&S team are consulted and feedback included in ITT documentation. This includes IT where installation works may include invasive activity.</p>
Fairly and ethically traded goods and services	Mandatory ('Required')	<p>The University supports fairly and ethically traded goods. 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</p>



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		equivalent offerings from suppliers in its tenders.
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Reform Act Requirement	Requirement	Action/Strategy
Food	Optional ('Should')	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 work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services.
Late payment legislation	Mandatory ('Required')	The University will comply with 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, viz: sub-contractors.

Section 5: Annual Report

The University will produce an annual report on progress against these objectives and publish it on the University’s Procurement website. This report, produced as soon as practicable after the end of the financial year, will describe how the University has discharged its obligations under the Procurement Reform 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:

1. A summary of the regulated procurements that have been completed during the year covered by the report.

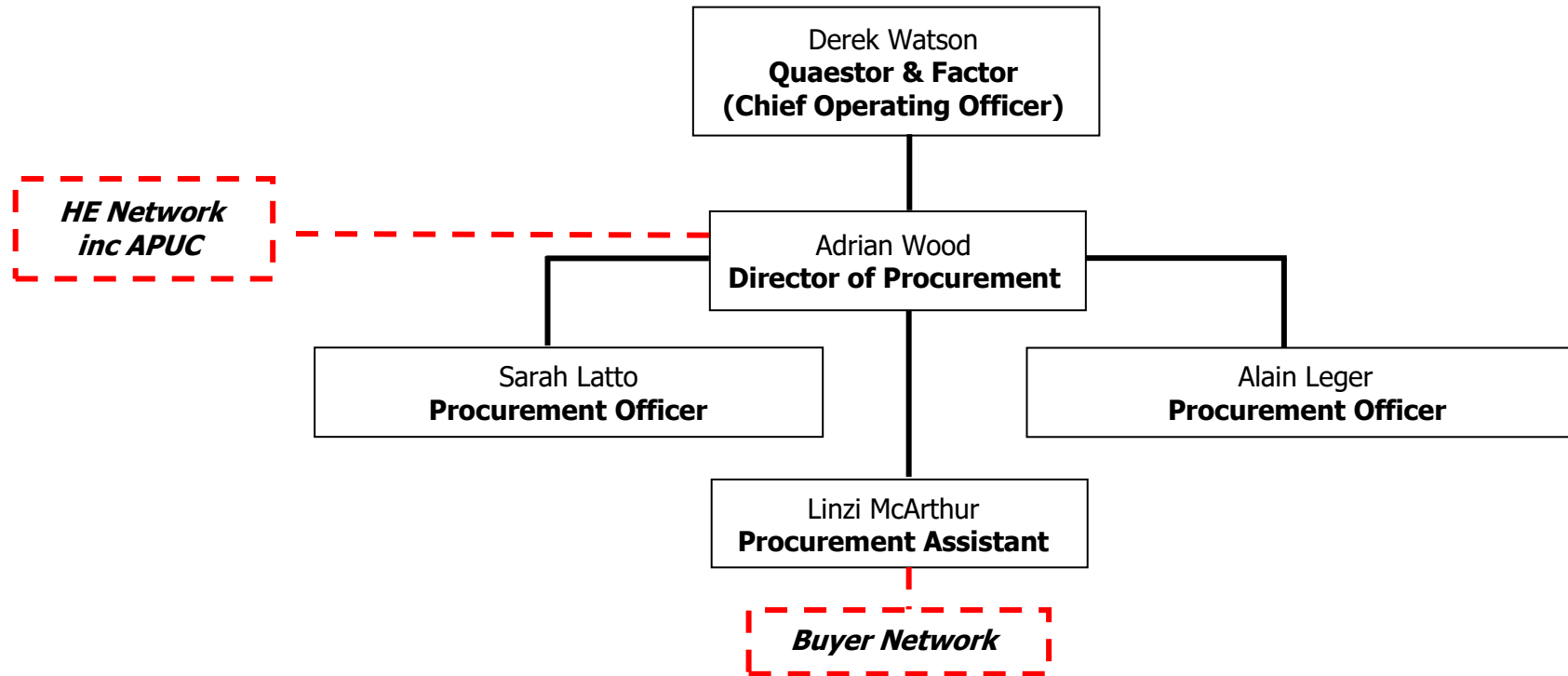


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2. A review of whether those procurements complied with the authority's procurement strategy.
3. To the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply.
4. A summary of any community benefit requirements delivered or required 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 authority expects to commence in the next two financial years.
7. Other information as the Scottish Ministers may by order specify.



Section 6: Organisation Chart





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Section 7: Action Plan

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L
Sustain and further develop partnerships within the sector (including APUC, and EAUC), with other publicly funded bodies, with professional bodies and appropriately with suppliers that will yield intelligence, innovation and deliver value to users of procurement services.	Optimised use of Cat A, B and C1 collaborative contracts and extension of early procurement contributions of value to all areas of influenceable expenditure.	Scrutinise annual expenditure analysis to improve its utility. Identify collaborative regulated procurements and categorise. Establish contracts register. [see Note* in Annex B below].	Numbers and values for A B and C1 business as % of totals Number and value of contracts covered by register	Ongoing	DoP	MEDIUM
	Established network with APUC, other sector consortia, sector representative bodies for collaborative and professional development.	Benchmarking of good practice standards and procurement performance standards.	Use of BPIs	Ongoing with periodic progress reports	DoP	MEDIUM
	Extension of best practice methods and ethical values to all phases of the procurement process.	Processes aligned to the Procurement Journey.	Details of training delivered and numbers involved	Ongoing	DoP	MEDIUM
	Development of a shared, integrated procurement strategy development process. (via APUC).	Develop forward contracting plan and strategies and relate these to sectoral, regional and national contracting plans.	Number and value of contracts covered by contracting strategies expressed as % of totals	Annual Contracting Priorities	DoP	MEDIUM

The Old Burgh School, Abbey Walk, St Andrews, Fife, KY16 9LB
 T: +44 (0)1334 462523 F: +44 (0)1334 462535
 E: procurement@st-andrews.ac.uk



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Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L
To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support through the development of an effective and co-ordinated purchasing effort within the University.	Establishment of an internal buyer's network and optimised cross-functional collaboration to secure benefits of aggregation of demand and future contract planning.	Continue the development of the Buyers' network. Develop a procurement action plan.	Number of 'Lead Buyers' actively engaged.	Ongoing with annual reporting	DoP & Lead Buyers	HIGH
	Procurement information routinely communicated to people who need to know.	Co-ordinate procurement initiatives and disseminate procurement information from external sources e.g. APUC contract and advisory information. Optimise use of intranet (or Ξ) to communicate.	Record of number, frequency and forms of communications	Annual Report	DoP – via Procurement Officer	MEDIUM
	Procurement training and/or guidance systematically applied to points of need.	Ensure all staff involved in procurement process can receive appropriate training.	Record of staff attending individual training events, also to include counter fraud and conflict of interest issues	Ongoing linked to changes and turnover	DoP + HR/CAPOD + APUC	LOW
	Implementation of efficient procurement processes e.g. tendering, requisitions, approvals, order and invoicing processes.	Review processes and optimise use of e-tools, including PCS for all regulated procurements. Robust internal control systems for procurement processes and systems.	Record number and types of e-transactions at least annually and as % of total transaction type and total value of transaction type e.g. bids* orders, invoices and monitor over time	Annual Report	DoP + Lead Buyers Group + Finance	MEDIUM

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	Suppliers and potential suppliers provided with guidelines and advice on doing business with University and with APUC.	Clear communication on procurement issues and links on website.	Outputs of stakeholder and supplier satisfaction surveys	Annual	DoP + ICT	HIGH

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To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.	Clear specifications and procurement strategies agreed with stakeholders. Application of continuous learning from previous procurements.	Continuing to work with key organisational staff on best procurement practice including appropriate approaches to regulated procurements in use of specifications, selection and award criteria.	Total expenditure on projects, goods and service and % of total expenditure influenced by procurement, %’s of total expenditure covered by Cat A, Cat B, Cat C1 and Cat C contracts	Annual & Ongoing Training provided according to needs assessment	DoP + Lead Buyers + Acc. Manager	HIGH
	Management and measurement of performance of contracts in line with stakeholder and supplier agreements over the lifetime of the contracts.	Contract and supplier management processes applied to high risk contracts securing service improvement and/or opportunities for innovation.	% expenditures by Cat % of total value covered by contracts in the last FY	Annual & Ongoing	DoP + Lead Buyers + Acc. Manager	HIGH
	Periodic and annual savings and benefits reports to SMT.	Recorded savings and benefits calculated according to agreed sector and national criteria. Reports to Management.	% of total expenditure covered by a contracts register [see Note* above], % by value and number of contracts that are EU regulated procurements, % by value and number of contracts that are ‘lower value regulated procurements’ (i.e. goods and services > £50k and works > £2m),	Annual & Ongoing	DoP + Lead Buyers + Acc. Manager	HIGH

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			% savings, cost avoidance or other efficiencies i.e. cash and non-cash savings Totals of maverick and compliant exp in last FY			
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<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners</p> <p>Facilitate two-way communication with Suppliers to ensure continued value, manage performance and minimise risk throughout the life of contracts for the benefit of customers and students.</p>	<p>A high calibre procurement team with competency based training and skills development programmes. Structured recruitment, career development and retention programmes with a focus on sustainability.</p>	<p>Analysis of best application of resources and alignment of staff skills through continued development and Q6 process.</p>	<p>Number of people in the procurement team</p>	<p>Ongoing</p>	<p>DoP</p>	<p>MEDIUM</p>
	<p>Supplier/customer positioning, development and leveraging to assure optimum value delivery while managing supply side risks and opportunities.</p>	<p>Obtain regular customer input/feedback. Obtain regular supplier input /feedback.</p>	<p>Survey trend analysis Include in annual reports</p>	<p>Periodic</p>	<p>DoP</p>	<p>MEDIUM</p>
	<p>A robust procurement risk register.</p>	<p>Develop Procurement Risk Register</p>	<p>To be developed</p>	<p>Immediate with regular reviews</p>	<p>DoP + SMT</p>	<p>HIGH</p>

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Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L
To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.	Robust systems analysis and development.	Produce [or review if already produced] a procurement ICT strategy.	KPI's and reporting as identified in this document.	Periodic review	DoP, Quaestor	HIGH
	Sustainability benefits are recorded can be used for case studies if required.	Develop a sustainability benefits register.	Measure: <ul style="list-style-type: none"> • Carbon savings • Community benefits • Energy reductions • Waste reductions • Recycling 	Ongoing	Estates Environment Team	MEDIUM
	Use of benefits measurement to record efficiencies generated by procurement activity.		Measures of <ul style="list-style-type: none"> • Price reduction • Added value • Risk reduction • Process re-engineering • Sustainability 	Annual	DoP + APUC	HIGH
	Ongoing customer feedback.	Established procurement network to gather and disseminate information.	Feedback analysed to show any trends.	Ongoing	DoP	MEDIUM
	Annual report records achievement against strategic objectives.	Prepare periodic reports that address both management needs and the requirements of the PR(S)A. Prepare annual report on performance against procurement strategy.		Annual – as soon as practicable after each FY	DoP + Acc. Manager	HIGH

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Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L
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	Appropriate use of tools to identify high risk commodities, embed relevant and proportionate requirements into contracts, encourage good practice and analyse opportunities to maximise social, economic and environmental outcomes through procurement action.	Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty.	Number and value of relevant contracts as % of total regulated contracts	Annual Reporting	DoP + APUC	HIGH
	Consideration of whole life costs, environmental and social impacts in assessment of value for money.	Embed sustainable procurement duty processes in commodity and category strategies, tender docs & evaluation criteria.	Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total	Annual reporting	DoP	HIGH
	Reduced demand for goods and services by cutting down on waste, and encouraging re-use and recycling and use of the least environmentally damaging goods and services.	Develop internal training and guidance.	Maintain a waste hierarchy record – <ul style="list-style-type: none"> waste prevention reused recycled recovered including energy recovery safe disposal. 	Ongoing	DoP + Estates Environment Team	MEDIUM

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Dashboard Measures (Required in all Full, Medium and Lite PCIPs):

Total Procurement Relevant Spend in the Last Financial Year
Total Procurement Influenced Spend in the Last Financial Year
Upheld Procurement Legal Challenges in the Last Financial Year
Value of Contracts / Frameworks in the Contracts Register* see note below
Percentage of current Cat C Contracts / Frameworks in Place Covered by a Strategy
Total through a Collaborative Contract in the Last Financial Year
Total Relevant Spend through a CAT C Contract in the Last Financial Year
Total Cat A & B Cash Savings Secured in the Last Financial Year
Total Cat A & B Cash Savings Delivered in the Last Financial Year
Total CAT C Cash Savings Delivered For the Last Financial Year
Non-cash Savings Value For the Last Financial Year
Compliant Spend to Contract / Framework For the Last Financial Year
Maverick Spend For the Last Financial Year
Total No. of Live trade suppliers
Total Spend to SME Suppliers in the Last Financial Year
No. of SME suppliers used in the Last Financial Year
Total No. of Purchase Orders (POs) in the Last Financial Year
Total No. of eProcurement POs in the Last Financial Year
Total No. of Invoices in the Last Financial Year
Total No. of eInvoices in the Last Financial Year
Payment Performance in the Last Financial Year
No. of FTE People in the Procurement Team
No. of Procurement Officers within the Procurement Team Qualified, or Working Towards MCIPS or an Equivalent Qualification that includes Procurement



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No. of Procurement Officers in Procurement Legislation Training Within last 12 months of when Legislation / Remedies have Occurred.
No. of Authorised or Delegated Purchasing Staff outside Procurement
No. of Modern Apprentices

Optional/Ring-fenced in the Dashboard (Optional – if data exists it should be provided / Ring-fenced – could be required by Ministers in line with Regulations):

Number of Suppliers Used within the Last Financial Year
Total eProcurement Spend in the Last Financial Year
Retrospective POs in the Last Financial Year
No. of Procurement Officers within the Procurement Team Qualified with MCIPS or an Equivalent Qualification that includes Procurement
No. of Contracts with Community Benefits Clauses in the last financial year
No. of Tenders with Community Benefits Questions in the last financial year
Spend with supported businesses in the last financial year
No. of supported business suppliers in the last financial year
% spend through PCS- 80%