



## **JOINT PROCUREMENT STRATEGY 2017 to 2020**

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This strategy forms an essential part of the joint approach by Cairngorms and Loch Lomond & The Trossachs National Park Authorities (the National Park Authorities) to manage and improve the way we buy goods, services and works across the organisations.

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\_\_\_\_\_ Signature

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1. Introduction

The purpose of this procurement strategy is to enable proactive management of procurement across all business units to support delivery of our aims and objectives, and to deliver best value for the National Park Authorities and our stakeholders.

The National Park Authorities will use this strategy to promote their aims and values and utilise procurement to deliver compliance with legislation, deliver value for money, efficiencies and savings, whilst complying with equality and diversity, corporate social responsibility and sustainability responsibilities.

***Our Aims***

The National Park Authorities' Aims are set out in the National Parks (Scotland) Act 2000:

- ▶ To conserve and enhance the natural and cultural heritage
- ▶ To promote the sustainable use of the natural resources of the area
- ▶ To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
- ▶ To promote sustainable social and economic development of the communities of the area

***Our Values***

The values established by each of the National Park Authorities are set out in their respective Corporate Plan and are key reference points when interpreting implementation of this Procurement Strategy. For Cairngorms NPA, our values are to be an open, inclusive, innovative and professional organisation that behaves with integrity. The CNPA will also operate in an environmentally friendly way that provides leadership in this area.

## 2. Procurement Strategy

2.1 This Procurement Strategy is the National Park Authorities' way of achieving their organisational objectives when securing provision of goods and services. The Strategy also supports the Authorities in achieving Scottish Government's commitments to efficient and effective procurement, and contract management.

Legislative and guidance context governing our Procurement Strategy are:

- The EU Procurement Directives
- The Procurement (Scotland) Reform Act 2014;
- The Public Contracts (Scotland) Regulations 2015;
- The Procurement (Scotland) Regulations 2016;
- Health & Safety at work Act 1974;
- Equality Act 2010 and Specific Duties Scotland 2012
- Human Trafficking and Exploitation (Scotland) Act 2015;
- Climate Change (Scotland) Act 2009 and Scotland Order 2015
- Bribery Act 2010
- Freedom of Information (Scotland) Act 2002
- Managing Procurement Processes utilising Scottish Government's Procurement Journey and
- Scottish Government's Fair Working Practices which includes the Living Wage

## 2.2 Procurement by the National Park Authorities

Since the majority of procurement activity is below thresholds which are directly controlled by EU legislation, Scottish Legislation and Guidance then directs how we conduct our procurement activity.

The main duties are to:

- Treat relevant economic operators equally, without discrimination, and act in a transparent and proportionate manner; and to
- Comply with sustainable procurement duties.

Most of the requirements of legislation do not apply to the National Park Authorities as our level of Procurement Spend is below mandatory thresholds. However, as public bodies, and/or as part of good practice we will:

- Publish this Procurement Strategy;
- Publish a Contracts Register (using Public Contracts Scotland) for all contracts competitively tendered;
- Consider Community Benefits for all major contracts and where appropriate for all other contracts;
- Develop a strategy for reserved contracts;
- Embed the use of the standard European Single Procurement Document (ESPD) for all contracts over £50,000 for goods and services, until such time as it is replaced by domestic legislation post application of EU regulations within Scotland;
- Publish adverts and award notices for all contracts subject to open competitive tender processes;

- Consider measures to support climate change;
- Develop a strategy for debriefing unsuccessful bidders.

### 2.3 Objectives

This procurement Strategy is part of the National Park Authorities' aims to be more adaptive, flexible, innovative in securing goods and services required to achieve their objectives and associated public benefit, and to improve efficiency, drive sustainability, deliver fair working practices, be collaborative, and achieve better value for money.

### 2.4 Competition

Our aim, when procuring goods, services and works, is that they are always acquired by effective and appropriate competition, including adequate promotion of a contract opportunity, unless there are compelling, convincing and justifiable reasons to the contrary, and to award contracts on the basis of value for money (Most Economical Advantageous Tender) following competition. We also seek to contribute to the competitiveness of suppliers.

Competition avoids any suggestion of favouritism and the promotion of certain suppliers. It can also help to promote efficiency, economy and innovation. The competition process should be appropriate to the value, complexity and associated risk of the goods, services or works acquired.

To promote compliance and competition, the public sector in Scotland has a national advertising portal called Public Contracts Scotland (PCS), where contract opportunities of all values can be advertised as appropriate, manage tender process electronically and announce a contract award.

The Procurement Team will, on an on-going basis, encourage and support National Park Authorities' staff to make ever better use of the portal to manage their contract opportunities, and to further improve the sustainability of the tendering process.

### 2.4 Value for Money

This strategy has been developed taking into account the wider context of Scottish Government's National Procurement Strategy, which places emphasis on accelerating the pace of change, the delivery of benefits, the embedding of sustainability in all we do, improving suppliers' access to public contracts, maximising efficiency and collaboration and delivering savings and benefits.

At the heart of this Procurement Strategy, and Scottish Government's Strategy, is the concept of Value for Money in procurement being an informed balance between cost and quality.

The Value for Money triangle is at the heart of this and sums up the Scottish

Government's "Scottish Model of Procurement".



## Scottish Model of Procurement

Underpinning these priorities Scottish Government has seven key strategic objectives – “the seven c’s” which are:

**Capability** - To ensure that procurement activity and decision-making is conducted to the highest possible standard; effort is not duplicated; and that resources are allocated where they are most needed;

**Competitiveness** - Encouraging a competitive supply base is essential if the public sector is to achieve value for money in its purchases, and is an integral part of the Scottish Economic Recovery Plan. Wherever possible, contract opportunities are structured to allow suppliers of all sizes to compete and to encourage innovative bids;

**Capturing Savings and Benefits** - Contract information is matched to spend data and fed into a national contract register. To give the Scottish public sector an unrivalled ability to seek out value for money - this can be either cash savings, or contributions to wider economic and sustainability goals;

**Coverage** - For the Public Procurement Reform Programme to be most effective, it is essential that it becomes embedded across all procurement activity;

**Collaboration** - The Public Sector is working collaboratively, ensuring that effort is not duplicated, that best practice is shared and we capitalise on the opportunity for economies of scale;

**Corporate Social Responsibility** - Procurement activity and the activity of those awarded public contracts conform to robust ethical standards and contribute fully to sustainable development;

**Communications** - Greater awareness of how procurement contributes to public services making the best use of public money and on helping achieve sustainable economic growth.

## 2.5 Sustainable Procurement

The sustainable procurement duty requires that before the National Park Authorities buy anything, we must think about:

- How we can improve the social, environmental and economic wellbeing of the area we operate in;
- Consider how the procurement process will facilitate the involvement of SMEs, third sector bodies and supported businesses ;
- How public procurement can be used to promote innovation.

Through adoption of this Strategy, the National Park Authorities commit to delivering our sustainable procurement duties through adopting these three principles in all of our procurement activities.

## 2.6 Health & Safety

We require that all our prospective contractors and their sub-contractors must be competent to undertake the services or works as described in the contract and have suitable and sufficient health and safety policies and procedures in place.

Contractors and their sub-contractors must be able to demonstrate they can comply with their legal obligations with regards to Health and Safety. As part of any client/contractor relationship, both parties have duties under health & safety legislation.

## 2.7 Contracts Register

We will develop a contracts register using, if possible, the register provided by Public Contracts Scotland. If this register is not applicable for all competitively tendered contracts then we will develop an additional contracts register for publication on our websites.

## 2.8 Community Benefits

We will consider whether to include community benefit requirements as part of a procurement exercise where relevant and proportionate to the contract opportunity.

We will consider the following when deciding whether to include community benefit:

- Is there an opportunity to generate employment and training opportunities for priority groups;
- Is there opportunities to up-skill the existing workforce;

- Can it support Fair Working Practices;
- Is there a possibility to make sub-contracting opportunities available to SMEs, the third sector and/or supported businesses;
- Are there opportunities to minimise negative environmental impacts.

Where there is an opportunity to deliver community benefits, we will in the contract advert or invitation, and through Public Contracts Scotland, include in the tender documentation:

- A summary of the community benefit requirements we intend to include in the contract;
- The appropriate community benefit clause(s);
- The appropriate community benefit evaluation criteria and weighting applicable.

## 2.9 Fair Working Practices

We are committed to the delivery of a high quality public service and this includes our commitment to ensuring contracts, where relevant and proportionate, address Fair Work Practices, including the payment of the Living Wage.

The Scottish Government guidance on Fair Working Practices can be found:  
<http://www.gov.scot/Resource/0048/00486741.pdf>

Consideration of fair work practices will be particularly relevant where the quality of the service being delivered or works being performed is directly affected by the quality of the workforce engaged in the contract.

We recognise that quality of delivery is critically dependent on a workforce that is fairly rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is effectively engaged in decision making.

Consideration of a bidder's approach to fair work practices must be a proportionate one, based on the nature, scope, size and place of the performance of the contract. We will consider each bidder's overall approach to fair work practices and all bids will be treated equally. This will include consideration of all relevant evidence, including (but not limited to) recruitment, remuneration, terms of engagement, skills utilisation, job support and worker representation. It is acknowledged that a bidder's approach to fair work practices may vary depending on the bidder's size and the scope of the contract.

Where appropriate to the nature of the contract being let, we will include a statement in our tender exercise, incorporating appropriate evaluation criteria and weighting, encouraging bidders to take into consideration Fair Work Practices, including payment of the Living Wage.

## 2.10 Managing Procurement Processes utilising Scottish Government's Procurement Journey

The National Park Authorities, as best practice, will embed the Scottish Government's "Procurement Journeys" into our procurement activity. There are three procurement journeys and the journey selected for a procurement activity will be reflected by not

only the anticipated whole life costs of an activity but also taking into account the risk associated with the delivery of the activity.

*“The Procurement Journey is intended to support all levels of procurement activities and to help manage the expectations of stakeholders, customers and suppliers alike and facilitates best practice and consistency across the Scottish public sector.”*

The three Procurement Journey Routes are:

- Route 1: Guidance for “unregulated” procurement of £50k and under in value which are typically low risk and unregulated in nature.
- Route 2: Guidance for regulated procurements in value of more than £50k and less than the value which requires publication in the Official Journal of the European Union (OJEU)
- Route 3: Regulated procurement of value over the OJEU threshold at the time of commencing the procurement.

Further assistance on the Procurement Journeys can be found at:

<https://www.procurementjourney.scot/>

## 2.11 Reserved Contracts

The legislative requirement encourages public bodies to consider how their procurement activity can be used to underpin social and economic considerations within the performance of public contracts. Included in the legislation is a focus on disadvantaged persons and the National Park Authorities’ aims and values each align to this area.

Reserved contracts provide for opportunities to contract more directly for certain goods and services with companies and organisations providing employment specifically for disadvantaged persons. The National Park Authorities, where practical and reasonable, will use supported business frameworks for their procurement activity.

## 2.12 ESPD

The European Single Procurement Document replaced the Standard Pre-Qualification Questionnaire (SPQQ) and it is best practice to use the ESPD (Scotland) for all procurement activity for goods and services with a whole life cost of above £50,000.

The National Park Authorities will embed the use of the ESPD for all procurement activity for goods and services with a whole life cost of over £50,000 until such time as any new domestic arrangements are enacted by Scottish Government to replace EU regulation and standards following Scotland no longer being within the EU.

## 2.13 Publish adverts and award notices for all contracts competitively tendered

The National Park Authorities will publish adverts and award notices for all contracts competitively tendered on the Public Contracts Scotland portal and / or our own websites. This will also help meet the requirements of the Information Commissioner for publication requirements.



2.14 Climate change

The National Park Authorities have a responsibility and legal duty within the climate change act and our own aims and values to minimise the impact our activities have on climate change. As part of our procurement activity we will, where possible and practical, find solutions that reduce emissions and deliver against climate change and carbon management targets. Where appropriate we will ask potential bidders how they will seek to assist us with meeting the requirements of the Climate Change (Scotland) Act 2009 and Scottish Order 2015, and evaluate their responses as an element of our Best Value contract award assessment.

2.15 Unsuccessful Bidders for Contracts

The National Park Authorities recognise that bidders use resources and incur costs when making a bid for a potential contract. Therefore, we will at the very least meet minimum legislative requirements for provision of feedback to unsuccessful bidders for contracts.

Additionally, the National Park Authorities will endeavour to provide feedback to all bidders for contracts over £10,000 where practical and feasible.

2.16 Annual Procurement Report

Legislation governs that Public Bodies must produce an Annual Procurement Report covering details such as procurement spend, community benefits delivered, steps taken to facilitate supported business and details of future procurement activity.

The National Park Authorities are not required to produce the statutory annual procurement report because their procurement spends are low. However, we will, if practical and meaningful, and where expected resource input to produce such a report is warranted by anticipated value of information in helping to meet the requirement of transparency, produce an annual procurement report that will cover joint procurement activity for the year. The first potential annual procurement report would cover procurement activity for 2017/18, and be published in 2018 if we believe the above criteria of such a report being produced are met.

2.17 Equalities and Diversity

The National Park Authorities will continue to consider Equalities and Diversity in their appropriate procurement activity. For relevant procurement activity the National Park Authorities will include a requirement for bidders to confirm they comply with the General Duty of the Equalities Act and require them to demonstrate how they consider they comply.

2.18 Fair Trade

The National Park Authorities will consider, where appropriate and proportionately with each relevant procurement activity, what Fair Trade provisions could be included. Any bidder for a relevant procurement activity will be asked to provide supply chain traceability and also be asked to maintain this for the duration of the contract.

2.19 Collaboration

The National Park Authorities will continue to utilise relevant Scottish Government Procurement Frameworks and British Government Frameworks for its purchasing activity.

We will collaborate with other Scottish public sector bodies and other UK National Park Authorities to widen the scope for maximising purchasing power and identifying innovation.

We will actively engage with Scottish Government cluster groups which align similar Scottish public sector bodies to facilitate dialogue, knowledge exchange and opportunities in procurement.

2.20 Innovation

The National Park Authorities recognise the value innovation can bring to us whether it's in the form of achieving greater value for money or new ways of working or providing solutions. It is recognised that innovation can play an important role when acquiring goods or services and we will seek to explore and maximise every opportunity during both the acquisition of a contract and during the performance of the contract.

2.21 Contract Management

The National Park Authorities will undertake contract management for all their contracts irrespective of value and risk. The extent of contract management will depend on the value of contract and the associated risk.

The procurement team will support contract management for low value/low risk contracts but will actively manage higher value/risk contracts with not only focus on achieving value for money but also developing the contractual relationship to achieve innovation, if possible, continuous improvement and in improving sustainability.

2.22 Micro, Small and Medium Businesses (MSMEs)

The aims of the National Park Authorities present a responsibility to MSMEs within their geographic boundaries. We will continue to provide a platform for MSMEs to access our contract opportunities and we commit not to create procurement conditions that provides a barrier to MSMEs bidding for our contracts, especially for those within our boundaries.

We will maximise our direct spend by placing orders locally where value for money can be demonstrated for contract values of under £10,000.

2.23 Serious Organised Crime

The National Park Authorities recognise the importance of tackling serious organised crime and this includes not working with suppliers who have been identified with such involvement.

The National Park Authorities have an Information Sharing Protocol (ISP) with Police Scotland to ensure organisations identified as preferred bidders for a contract have not been involved with Serious Crimes. The National Park Authorities will actively seek the views of Police Scotland on the suitability of a preferred bidder.

3. Priorities

3.1 Increase Local Spend with MSMEs

The National Park Authorities will use their low value procurement threshold (under £10k) to promote actively the use of local MSME suppliers. Delegated budget holders will be encouraged where possible, and where value for money can be demonstrated, to place contracts firstly with local MSMEs and if none available then Scottish MSMEs. (Local MSMEs means businesses who operate within National Parks' boundaries.)

We will try to ensure that for larger contracts there are no barriers to MSME participation unless absolutely necessary. For example due to size and risks associated with the contract on offer, or through publication routes for contract notices.

3.2 Contribute to Value for Money

We will aim to contribute to achieving value for money in procurement by working closely with all purchasers of goods, services and works. We will do this by ensuring appropriate activity is acquired using a good quality specification along with recognised evaluation techniques. We will ensure contracts are robust and actively managed appropriately.

3.3 Comply with Sustainability Procurement and Climate Change Duties

Sustainable procurement aims to make the best use of public funds and to help Scottish Government achieve its overarching purpose and strategic objectives.

We will consider sustainability and climate change early in the procurement process to enable us to identify opportunities and risks before engaging with suppliers.

3.4 We will improve our Contract Management Processes

We understand the importance of good and effective contract management to delivering sustainable, value for money procurement.

We will provide training to appropriate staff to upskill them in contract management. We will develop performance indicators in contract management for contracts and ensure regular contract review meetings take place with contractors as appropriate.

3.5 Increase Use of Government Contracts and Collaboration with Other Public Bodies

We will aim to communicate the advantages of using Scottish Government and British Government contracts to all staff conducting procurement activities.

We will aim to increase our collaboration with other Public Bodies to maximise purchasing power to deliver better value for money and achieve financial savings.

4. How We will Measure How We are Doing

4.1 Procurement and Commercial Improvement Programme (PCIP)

As Scottish Public Bodies, the National Park Authorities are required to participate in the Scottish Government's PCIP which assesses procurement capability and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

As the National Park Authorities level of procurement spend is low we are required to participate in the PCIP Lite Assessment. This assessment has 6 assessment levels and the National Park Authorities will aim to achieve the highest assessment rating deemed by their Management Teams as appropriate to the scale and operation of the Authorities.

4.2 Increase Local Spend with SMEs

We will seek to identify the value of spend with SMEs and year on year we aim to increase this value.

4.3 Contribute to Value for Money

1. We will be able to demonstrate and quantify like for like contract price reduction;
2. We will maximise value for money from existing contracts;
3. We will reduce the amount of time spent on procurement activity by stream lining processes and procedures;
4. We will introduce key performance indicators as appropriate and measure and report against these.

4.4 Comply with Sustainability Procurement and Climate Change Duties

1. We will agree a sustainability strategy and embed this into the organisation for appropriate procurement activities;
2. We will increase delivery of community benefits from contracts and increase delivery of sustainable, environmental and social benefits whilst reducing the impact on our Climate and report on these as part of our Climate Change reporting duties.

4.5 We will improve our Contract Management Processes

1. KPIs will be set, measured and reported on;
2. Deliver training to relevant staff on contract management responsibilities;
3. Less Supplier and invoice disputes.

4.6 Increase Use of Government Contracts and Collaboration with Other Public Bodies

We will seek to identify the value of spend with Government Contracts and collaborative procurement activities with Other Public Bodies. Year on year we aim to increase this value.

Version Control:

V1.0: A Jump draft received DC via DR 22 Jan

V1.1: D Cameron review and tailor to CNPA specific version

V2.0: D Cameron issue to Audit and Risk Committee