



JOINT PROCUREMENT STRATEGY

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

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1		August 2011	David Cameron, Lynda Frazer, Alistair Highet, David McGregor
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INTRODUCTION

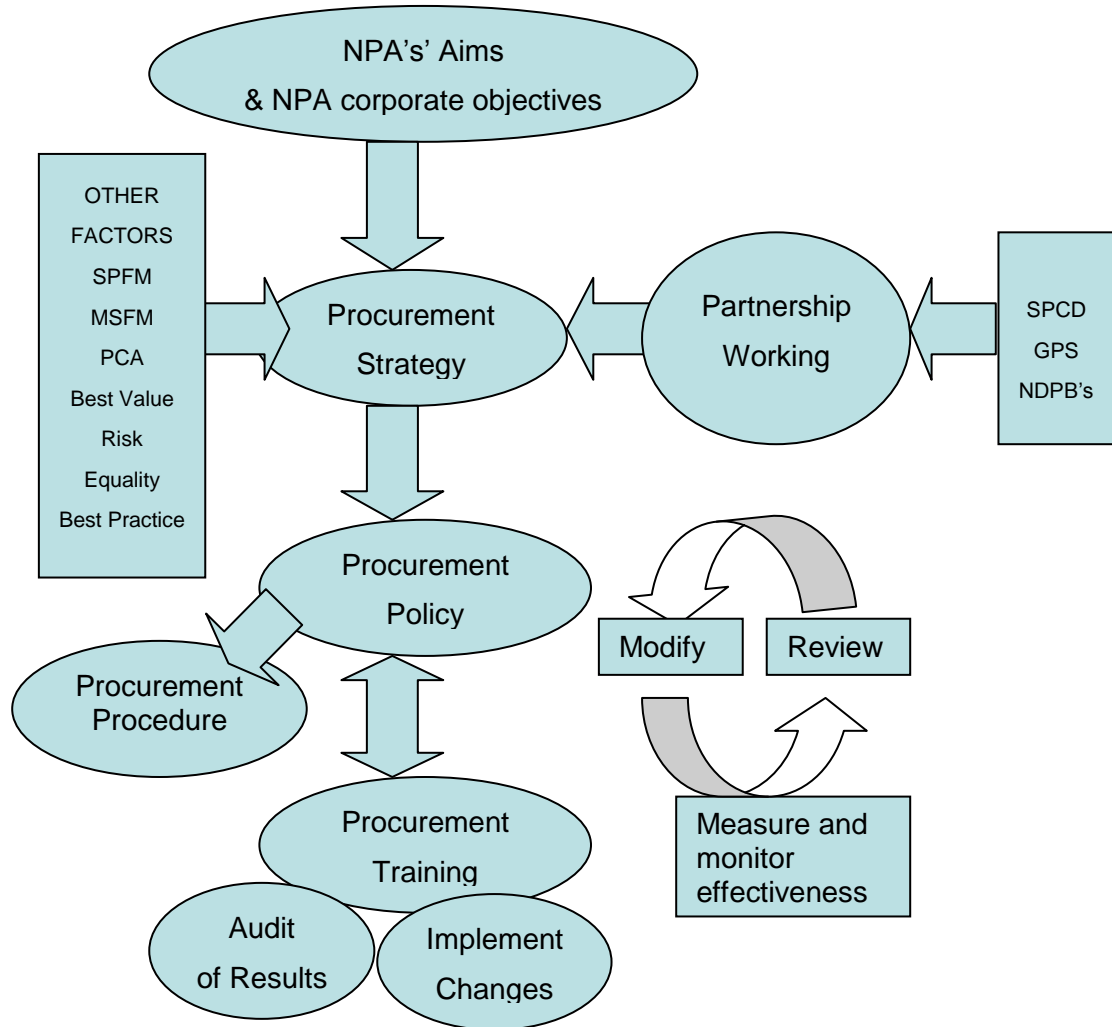
- 1.1 Procurement is the process of buying goods, services and works from external suppliers. The procurement process begins when a need to buy something is identified and will generally end after the contract is awarded. Contracts must be awarded through genuine and effective competition unless there are exceptional reasons to the contrary. All procurement activity should be focussed on the delivery of value for money; conducted to high professional standards, in accordance with relevant guidance and to the relevant legal requirements; and overseen by appropriately trained and authorised staff and this strategy outlines the approach to be taken by buyers within the NPA's in order to obtain value for money for everything we buy.
- 1.2 The purpose of this strategy is to outline the role that procurement will play in the delivery of the Scottish National Parks' Aims and set out the key policies and strategies necessary for the National Park Authorities to deliver them.
- 1.3 Officers working to procurement guidelines will be asked to contribute to the strategic aims for procurement as described in section four of this document.
- 1.4 The strategy will be reviewed periodically to ensure that it is up-to-date and meets current legislation including Scottish Government guidelines.

2. STRATEGIC FRAMEWORK

- 2.1 The National Parks' Aims are set out 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
- 2.2 The National Park Authorities (NPA's) are responsible for ensuring the coordinated and collective achievement of these aims. This document provides a set of strategic objectives for procurement to contribute to this objective. These are set out in section 4 of this Strategy.
- 2.3 The NPA's also have policies and strategies in place which influence the way we procure goods, works and services. These 'Key Policies and Strategies' are set out in section 5 of this Strategy and reference to them is essential to ensure that the strategic objectives for procurement are achieved.
- 2.4 The NPA's recognise that procurement has a major role to play in the delivery and support of their priorities.

Diagram 1 below shows how this procurement strategy fits within the NPA's strategic framework.

Diagram 1: Procurement Framework



Acronyms

SPFM – Scottish Public Financial Manual (2.5.1)

MSFM – Management Statement and Financial Memorandum (2.5.2)

PCA – Procurement Capability Assessment (2.5.3)

SPCD – Scottish Procurement and Commercial Directorate (2.5.4)

GPS – Government Procurement Service (2.5.5)

NDPB – Non Department Public Body (2.5.6)

2.5 Relationship of Procurement Strategy to Key Policies / Documents

This strategy has been influenced by many other relevant policy documents mentioned within this strategy. The links to this strategy are:

2.5.1 Scottish Public Finance Manual (SPFM)

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government (SG) and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. The SPFM includes general guidance on procurement.

2.5.2 Management Statement and Financial Memorandum (MSFM)

The management statement sets out the broad framework within which the NDPB will operate while the financial memorandum sets out certain aspects of the financial framework in greater detail. Procurement forms part of the Financial Memorandum and should be treated as a key component of achieving the NDPB's objectives, as well as a means of finding the most cost-effective method for securing the quality of assets and/or services. The NDPB shall also ensure that it complies with any relevant EU or other international procurement rules.

2.5.3 Procurement Capability Assessment (PCA)

The NPA's each year are assessed by Scottish Government on both its procurement capability and its procurement staff capability in relation to set standards on Scottish Public Procurement.

The objective of the PCA is to assist the NPA's to improve their structure, capability, processes and ultimately performance, by attaining the best standards that are appropriate to the scale and complexity of their business. The PCA will assesses capability in key areas against common criteria and standards which will allow public bodies, locally, at sector level and nationally, to identify where best practice already exists, where there are gaps and where continuous improvements and efficiencies can be implemented.

Organisations will have the opportunity, where appropriate, to develop and implement improvement plans as a result of the PCA with assistance from their relevant Centre of Expertise.

2.5.4 Scottish Procurement and Commercial Directorate (SPCD)

The Directorate is responsible for developing and advising on a range of procurement activity and commercial decision-making, including implementing procurement policy, promoting best practice in project delivery, and setting up contracts and framework agreements for itself and the wider public sector in Scotland.

2.5.5 Government Procurement Service (GPS)

The GPS is the UK government executive agency charged with procurement management. It is an executive agency of the Cabinet Office. It was formerly known as OGC buying solutions, and then just Buying Solutions. On 15 June 2010, it moved, along with its parent agency the OGC, to become part of the Efficiency and Reform Group within Cabinet Office. The name was changed to GPS in July 2011.

GPS' operations break down into framework agreements, which are a set of pre-tendered contracts with a range of suppliers from which public sector customers can purchase goods and services.

2.5.6 Non Departmental Public Bodies (NDPB)

The NPA's work closely with other relevant NDPB's via the "Highland Hub". The hub's purpose is sharing of information and knowledge, best practice and support. If required the hub may be able to provide resources on areas of procurement if the NPA's do not hold the relevant experience.

2.5.7 Procurement Policy

The procurement policy provides the means of moving in a direction to deliver the strategy. The policy is concerned with identifying how to achieve the strategy's objectives, selecting the most suitable process for doing this, and detailing how these processes will work in practice.

2.5.8 Procurement Procedure

A procurement procedure is a series of steps to be followed as a consistent and repetitive approach to accomplish the policy and ultimately the strategy. Together with the policy, they are used to empower staff responsible for buying with the direction and consistency they need for successful procurement which will be in line with the organisations' overall aims and strategies and compliant with legislation and best practice.

3. MANAGING PROCUREMENT IN THE NATIONAL PARK AUTHORITIES

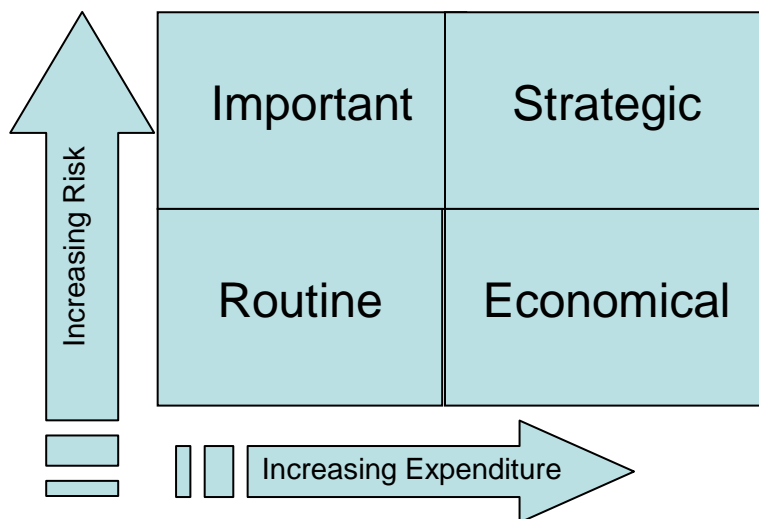
3.1. This strategy describes the way spending will be managed by looking at the types of things we purchase. The over-arching principal used in the Procurement Policy & Procedures are that goods, services and works will be categorised according to risk and a specific approach for each category will be adopted. All procurement activity should contribute to achieving all of the NPA's objectives.

3.2. The table below shows how both NPA's spend their income (2010/11) and the amount spent on goods, services & works is the value to which good procurement strategy can influence and achieve not only value for money but also the aims of the NPA's.

	Salaries / Employee Costs	Rent & Rates	Grants / Payments to Others	Goods, Services and works
Loch Lomond & The Trossachs	4,453,396	266,932	583,986	2,743,461
Cairngorms	2,263,008	87,177	2,085,899	1,514,000
Total	6,716,404	354,109	2,669,885	4,257,461

3.3. Diagram 2 below shows the risk/expenditure matrix for the procurement of goods, services and works and the categories applying for each scenario.

Range of Risks



Strategic	Items that are high cost and high risk should something go wrong e.g. the outsourcing of a service, large capital projects and large contracts.
Important	Items that are of a low value such as wood chip for the bio-mass boiler or production of an NPA leaflet but could have significant implications if they were not available.
Routine	Items that are bought on a day-to-day basis in small quantities and are readily available from a range of sources e.g. stationery.
Economical	Items that have a low value and low risk but through economies of scale they can be bought in large quantities at discounted prices e.g. IT equipment and electricity supplies.

3.4 Everything we buy and every service we deliver fits into one of the four categories in the risk/expenditure matrix and the Procurement Rules are designed so that there is a process to follow for all types of procurement which ensures the buyers obtain value for money for the NPA's.

3.5 By following the NPA's Procurement Policy & Procedures, the buyer will be contributing to the Strategic Objectives for Procurement set out below.

4. STRATEGIC OBJECTIVES FOR PROCUREMENT

4.1 NPA' strategic objectives for procurement are that procurement activity should:

- Contribute to the NPA's Aims;
- Demonstrate contribution to National Park Authority corporate objectives (as outlined in the relevant Business or Corporate Plan)
- Enable the NPA's to manage all procurement activity professionally so that the intended benefits are realised;
- Secure best value for the NPA's procurement spend;
- Make full use of new technology;
- Manage risk effectively.
- Promote sustainable procurement.
- Increase efficiency
- Undertake fair, open and transparent procurement processes
- Periodically review the effectiveness of procurement activities and update it's strategy, policy & procedures to maintain its relevance.

4.2 To maximise the strategic objectives in 4.1 above, the NPA aim to

- Utilise Scottish Government Directorate contracts (unless there is a compelling business case not to)
- Utilise Government Procurement framework agreements (unless there is a compelling business case not to)
- Collaborate with other NDPB's and other partner organisations to maximise the benefits of procurement opportunities
- Acquire goods, services or works by open competition unless there is documented convincing and justifiable reasons to the contrary

5. PROCUREMENT LINKS TO OTHER KEY POLICIES AND STRATEGIES

The NPA's already have policies and strategies linked to and influencing procurement. These need to be considered at the same time as referring to the Procurement Strategy to make sure that the strategic objectives for procurement are achieved.

5.1 Best Value

5.1.1 The NPA's are fully committed to improving the economy, efficiency and effectiveness of all its activities. All procurement of goods, services and works will be based on best value principles, having due regard to propriety, regularity and the NPA's legal obligations. Acquiring all goods, services or works by competition (unless there is a compelling reason not to) supports this, goods, services and works will be purchased in a mixed economy of suppliers from the public, private, voluntary and community sectors, according to which supplier offers best value.

5.1.2 There are nine characteristics of Best Value described in the SPFM that public service organisations are expected to demonstrate:

Commitment and Leadership; Sound Governance at a Strategic and Operational Level; Accountability; Sound Management of Resources; Responsiveness and Consultation; Use of Review and Options Appraisal; A Contribution to Sustainable Development; Equal Opportunities Arrangements; Joint Working

5.1.3 The NPA's will take full account of the needs of customers, both in the community and within the authorities in purchasing goods, services and works.

5.1.4 The NPA's will consider all the procurement options and any suitable hybrids/alternatives, to ensure best value is secured for all procurement of goods, services and works.

5.2 Standards of Conduct

5.2.1 The NPA's will insist that in all procurement dealings, the highest standards of conduct are observed by Board Members staff. This will include compliance with public principles and in particular with the general principles of public life, the Members code of Conduct, the Officers Code of Conduct, Code of Ethics of the Chartered Institute of Purchasing and Supply, Bribery Act 2010 and any guidance issued by Scottish Government.

5.3 Risk Strategy

5.3.1 The NPA's Risk Strategy has been developed to make sure that risk to the Authority and stakeholders are properly recognised and managed. In all its procurement dealings, the

NPA's will identify risks, evaluate their potential consequences, consider possible opportunities and manage those risks effectively, at every stage of a procurement process.

5.4 Equal Opportunities

5.4.1 The NPA's are committed to review services and policies to remove any discrimination and to ensure that the NPA's fulfil their duties under the Equalities Act 2010. Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are as equally committed to equalities and diversity as we are.

5.5 Community & Economic Development Strategy

5.5.1 By providing high quality information and advice (including information on the NPA's website & Scottish Government websites), and through capacity-building measures, the NPA's will assist local businesses (and small and medium-sized enterprises in particular), voluntary and community organisations to build their capacity to encourage them to compete for public contracts.

5.6 Sustainability

5.6.1 Criteria based upon the procurement of environmentally friendly goods, services and works will be used in all purchasing decision making processes.

Sustainable procurement is an important strategic direction for the NPA's. Therefore a sustainable procurement policy is in the action to be developed.

5.7 Employment

5.7.1 The NPA's are committed to being good employers of staff and contractors. They will ensure that appropriate individuals are properly consulted on procurement matters which are likely to have implications for their terms and conditions of employment or contract and that these conditions are protected in any transfer of services to other agencies.

5.8 Engagement

5.8.1 The decision to buy will take into the consideration the needs and views of the customers served by the NPA's. These will be included in the criteria when assessing the value for money of any goods and services being bought on its behalf.

5.9 Health & Safety

5.9.1 The NPA's recognise and accept their responsibility as employers for providing a safe and healthy work place and working environment for all employees.

5.9.2 The 'Selection and Control of Contractors' should outline some of the health and safety issues to be considered when contracting in goods, services and works. There are six main elements to the strategy of selection and the relevance of each element is dependent upon the degree of risk and nature of work to be contracted.

The six elements are:

- Identification of suitable bidders which includes their insurance details; status and depth of implemented H & S policy; status of competent person; previous accident record; details of any prosecution; details of any enforcements notices; competence of employees; references of previous clients as appropriate.
- Identification of hazards within the specification if appropriate.
- Checking Health & Safety aspects of bids and selection of contractor
- Contractor agreement to be subject to NPA's rules
- Arrangements for management of the contractor on site (e.g.: safety measures, monitoring and incident reporting) if appropriate.
- Arrangements for checking health and safety compliance after contract completion

5.10 Financial Regulations

5.10.1 The NPA's Financial Regulations set in both NPA's MSFM & the SPFM (described earlier) govern some of the Procurement Policy & Procedures supporting this strategy. This strategy has been produced following Scottish Government guidelines, the MSFM & SPFM.

5.10.2 In order to make it easier for the buyer we have attempted to extract all relevant procurement information & guidance and put it into Procurement Policy & Procedures. However, there may be some occasions where further financial guidance is required and in these circumstances the buyer should refer to the Financial Memorandum

5.11 Legal Framework

The legal framework for public procurement includes: EC Treaty obligations; EC procurement Directives and European Court of Justice and national case law.

5.11.1 EC Treaty obligations

The EC Treaty applies to all public procurement activity regardless of value. The basic principles of the treaty are: Transparency; Equal treatment and non-discrimination; proportionality and mutual recognition.

5.11.2 EC Procurement Directives

The EC procurement directives details procedural rules which are intended to support the single market by harmonising procedures for higher value contracts, ensuring that they are advertised in the Official Journal of the European Union. The thresholds as of 1st January 2010 are (net of VAT):

PUBLIC CONTRACTS (SCOTLAND) REGULATIONS 2006

SUPPLIES	SERVICES	WORKS
£156,442	£156,442	£3,927,260

5.11.3 European Court of Justice and national case law

Decisions of the European Court of Justice and the national courts provide interpretation of the EC Treaty and EC Procurement Directives and can establish precedents which must be observed.

5.11.4 Meeting Legal Obligations

The NPA's should where practical formulate a legal contract with suppliers for the supply of goods, services and works.

Any complex legal issue should be brought to the attention of Scottish Procurement Directorate (SPD). This will allow SPD to determine if wider dissemination across the procurement community is appropriate.

5.11.5 Formal Challenges/complaints

Regulations allow suppliers to bring proceedings in court against contracting authorities which have infringed their obligations to comply with the Regulations, or any enforceable European Community law provision which may be relevant to awarding a public contract.

5.11.6 Freedom of Information and Data Protection Act

In relation to public procurement, the FOI Act provides a general right of access to all information about public contracts and procurement activity held by contracting authorities, subject to certain conditions and exceptions.

6. ORGANISATION FOR PROCUREMENT

6.1 This is an outline of the responsibilities of Board Members and staff.

6.1.1 Board Members via Appropriate NPA Committee/Group

- Adopting a Procurement Strategy ensuring it supports the achievement of the NPA's corporate objectives.
- Overseeing procurement and contract management to ensure they are operating effectively.
- Making decisions in relation to value for money risk management for major contracts.
- Ensuring that Key Policies and Strategies are being considered during the procurement process;
- Monitoring the performance of the Procurement Action Plan and the impact on staff of any procurement decisions.

6.1.2 Auditors

- Challenging the progress of major procurement projects.
- Scrutinising strategic procurement contracts and reviewing their impact upon stakeholders and staff.
- Ensuring that value for money is provided by all services and contracts.
- Advising Board Members (via the Audit Committee) of the lessons that are learnt and improvements to be made to the procurement strategy/rules as a result.
- Ensuring that any option appraisal is robust and challenging and takes into account all models of service delivery.

6.1.3 Business/Corporate Services Team

- Capacity building to ensure that organisational arrangements are in place to deliver the Procurement Action Plan effectively.
- Making sure that the Members and staff involved with procurement have the right skills in place to be able to deliver it effectively (Capacity building).
- Ensuring that option appraisal is robust and challenging.
- Maintaining an overview of corporate arrangements for procurement and ensuring they are operating economically, efficiently and effectively.

6.1.4 NPA's Procurement Manager (shared service)

- Ensure this strategy and procurement policy and procedures remain up-to-date in line with good practice, legislation and business requirements.
- Liaise with both NPA's Head of Finance to ensure procurement strategy, policy & procedures are fit for purpose for each NPA and to ensure financial procedures are followed in relation to procurement.
- Advise and support to Senior Management Teams of both NPA's on all procurement matters

- Support staff in carrying out procurement activity.
- Lead and carry out high risk or high value procurement activity.
- Advise managers/budget holders on medium value/risk procurement activity where appropriate
- Timetabling of strategic contracts and monitoring their performance against targets set for them.
- Ensuring procurement activities are adequately documented and files maintained which are accessible for future scrutiny
- Maintain, monitor and report on NPA procurement and contracts log,
- Identify and ensure the provision of procurement awareness raising /training activities as required.
- Provide an adequate system of internal control over procurement activity
- Meet national and Scottish Government expectations
- Support staff in establishing post-procurement activities (e.g. establishment of contracts)

6.1.5 Managers

- Ensure that procurement activity in their service areas follows the guidelines in this Strategy and the Procurement Guidelines (seeking advise/support from Procurement Manager as required)
- Ensuring that the relevant staff in their area have the right level of skills to deliver effective procurement.
- Monitoring of all procurement activity in their services.
- Effective project and budget management for their areas of responsibility including ensuring appropriate project plan is in place, resourced and regularly monitored.
- Ensuring procurement activities within their service area are adequately documented and files maintained which are accessible for future scrutiny

6.1.6 Budget Holders

Staff involved directly with the buying of goods, services and works will be responsible for:

- Following the Procurement Policy & Procedures relevant to the level of risk associated to the goods, services or works being purchased.
- Ensuring that all procurements are undertaken within the agreed scheme of delegated authority for each role.
- Ensure that where procurement targets are not being met they are reported as early as possible in order for remedial action to be planned and decided upon as soon as possible.
- Conducting relationships with suppliers and partners in an appropriate manner to promote the NPA's in a positive manner.
- Ensuring any conflicts of interest are appropriately reported for procurement activities undertaken.

- Ensuring procurement activities are adequately documented and files maintained which are accessible for future scrutiny

6.1.7 Procurement Specialists

In addition to their normal duties several staff around the organisations will be responsible for managing the procurement activity and providing procurement advice in their particular field. The nomination of these officers has not yet taken place and this is one of the actions included in the Strategic Action Plan. The types of advice available will include:

1. How to use of the various strategies referred to in, and linked with, this Strategy.
2. Assistance with advertising in the OJEC journals.
3. Procedures to be followed when procuring from corporately arranged contracts such as IT equipment and stationery.
4. Contract writing.
5. Procurement life cycle analysis i.e. from the decision to buy to the disposal of assets.

Although much of this will be covered in the Procurement Policy & Guidelines there may still be times when one-to-one assistance is necessary.

A group of officers may from time to time be responsible for developing the new Procurement Strategy and Procurement Guidelines. The officers in this group will also take responsibility for:

- Medium and long-term contract scheduling;
- Cross-cutting purchasing contracts;
- Procurement through partnership; and,
- Investigating and introducing new methods of procuring and managing the procurement process across the NPA's.

Action Plan				
Heading	Target Date	Outputs and Actions	Proof	Responsibility
Joint Procurement Strategy	August 2011	Draft Issued	Issued to: DC, LF, AH, DM	Procurement Manager
	February 2012	Agreed	David Cameron: Sign Off	Procurement Manager
	March 2012	Approved by Management Teams, Audit Committees and Board where applicable	Minutes of Meetings showing approval	David Cameron, Director
	March 2012	Communicated to Managers & staff	Comms Round Up	Procurement Manager
Joint Policy on Sustainability in Procurement	September 2011	Draft Guidelines Issued	Issued to: DC, LF, AH, DM	Procurement Manager
	February 2012	Agreed	DC: Sign Off	Procurement Manager
	March 2012	Approved by Management Teams, Audit Committees/Board where applicable	Minutes of Meetings showing approval	David Cameron, Director
	March 2012	Communicated to Managers & staff	Comms Round Up	Procurement Manager
	April 2012	Published online on each NPA website	Websites updated	Procurement Manager
Supplier Charter	May 2012	Adopt and publish online on each NPA website. Management Team adoption and if necessary Audit Committee/Board Approvals	Websites updated	Procurement Manager
Shared Procurement Policy, Procedures & Thresholds	February 2012	Thresholds for various levels for procurement activity revised and communicated as a result of revisions to NPA's financial memorandum	Managers & Management Team Updated	David McGregor & Alistair Highet
	February 2012	Joint Procurement Role responsibilities agreed and communicated to staff	Comms Round Up	David Cameron, Director
	February 2012	Draft Joint Procurement Policy & Procedures issued	Issued to: DC, LF, AH, DM	Procurement Manager
	February 2012	Joint Procurement Guidelines agreed by Management Teams	Minutes of Meetings showing approval	David Cameron, Director

	March 2012	Training to Managers & staff on revised Procurement guidelines, thresholds and role of Joint Procurement Manager	Training logs	Procurement Manager
Procurement Capability Assessments	October 2011	Procurement Capability Assessments undertaken separately and overall level 2 achieved for both NPA's	PCA results	Procurement Manager
	October 2012	Procurement Capability Assessment undertaken and overall level 2 achieved with improved results from 2011	PCA results	Procurement Manager
	October 2013	Joint Procurement Capability Assessment undertaken and overall level 2 achieved with improved results from 2012	PCA results	Procurement Manager
KPI/BPI	February 2012	Draft Procurement KPI/BPI's issued for both NPA's	Issued to: DC, LF, AH, DM	Procurement Manager
	March 2012	Procurement KPI/BPI's agreed for both NPA's	Minutes of Management Team	David Cameron, Director
	Ongoing	Produce & Publish Procurement KPI/BPI's periodically		Procurement Manager
Monitoring, Reviewing & Reporting	February 2012	Develop Balanced Scorecard for Procurement	Issued to: DC, LF, AH, DM	Procurement Manager
	March 2012	Agree Balance Scorecard for Procurement	Minutes of Management Team	David Cameron, Director
	Ongoing	Produce & Publish Balance Scorecard for Procurement periodically		Procurement Manager