



# Procurement strategy

## Introduction

1. This Procurement Strategy sets out the Cairngorms National Park Authority's approach to its sourcing of supplies of good and services in support of delivery of its objectives and in deployment of its public funds.
2. Our Procurement Strategy will guide our approach and procedures in instances where the Park Authority determines the best approach to deliver elements of our services and achieve our strategic objectives is through securing outsourced, third-party supply of goods or services. The Park Authority delivers its operational plans and achieves its activities and its strategic objectives through a blend of employed staff, grant funding awarded to third party organisations, and contracting for the supply of goods and services. While we seek to build the skills and expertise of our own staff, and grant fund other organisations with relevant knowledge and delivery capacity within the Cairngorms National Park (as elements of our blended delivery model), some aspects of our operations will require us to bring in skills, experience, goods and services from the commercial sector. This Procurement Strategy guides our approach to this strand of our delivery mix.
3. The strategy will provide a route that is compliant with the Scottish Procurement Regulations, embodied in the Public Procurement Reform (Scotland) Act 2014, The Public Contracts (Scotland) Regulations 2015, and The Procurement (Scotland) Regulations 2016.
4. It is important that the strategy properly reflects the strategic priorities of the Park Authority as a whole and this means that procurement needs to be responsive to the needs of service departments within the Park Authority and must be agile enough to deal with emerging requirements
5. As well as describing in detail how procurement will support all objectives within the Park Authority's Corporate Plan, the strategy sets out several key objectives for procurement during the year.



- a) To obtain value for money from every purchase
  - b) To make the Park Authority a prized customer
  - c) To be lean and efficient in our procurement
  - d) To achieve social, economic, and environmental goals
  - e) To trade only with suppliers who behave ethically
  - f) To reduce the environmental footprint of the supply chain
6. The strategy establishes the Park Authority's platform to mitigate five key risks inherent in any public sector procurement.
- a) Commercial Risk – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.
  - b) Technical Risk – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.
  - c) Performance Risk – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.
  - d) Contractual Risk – Being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.
  - e) Legal Risk – where a procurement is found unsound in law, through the public procurement rules.
7. The strategy also will also support a methodology for maximising any opportunities for community wealth building or community benefits from the Park Authority's deployment of public finance through its purchasing and procurement activities. This methodology will be developed and approved separately to this procurement strategy in tandem with the Park Authority's wider approach to developing a Wellbeing Economy for the Cairngorms National Park.
8. The role of the Procurement Officer is to enable operational teams to obtain the goods, services and works they require, at the correct time, to the correct quality and to achieve overall best value.



## How procurement will support Park Authority objectives

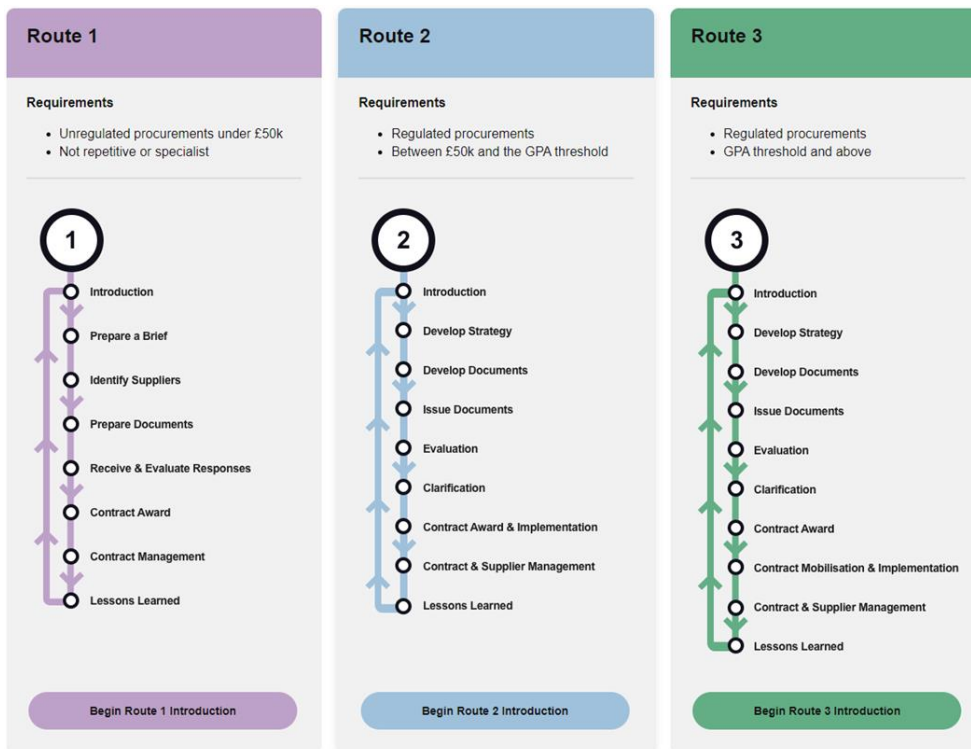
9. The best way for procurement to support the delivery of the Park Authority's objectives is to ensure that Park Authority operational teams are able to source the materials, external services and works needed to achieve planned delivery. Those materials / services / works must be available at the right time for the operational delivery and at the best combination of quality and price available from the market at any given time.
10. The Park Authority's Corporate Plan for 2023 to 2027 covers a range of objectives across three themes of Nature, People and Place, plus internal organisationally focused objectives.
11. All areas within the Park Authority's Corporate Plan will be supported by delivering procurement in accordance with this strategy in the following ways.
  - a) Promote fair work practices and the Scottish living wage in our procurement processes.
  - b) In conjunction with our approaches to community wealth building, deliver against a dynamic community wish list, or alternatively, against a community development action plan, that can be fulfilled through the use of community benefit clauses in procurement exercises.
  - c) Encourage suppliers and contractors to recruit modern apprentices and graduate trainees, where the scale of contracting opportunities over time merits the inclusion of encouragements of this scale within purchasing approaches to the market.
  - d) Encourage increased opportunities for SMEs and Third Sector organisations to participate in tendering opportunities by including appropriate lotting within tender documents, to ensure potential bidders within these sectors have increased to take part and that we don't create unnecessary barriers to participation.
  - e) Incentivise contractors to bring forward sustainable solutions to deliver contracts, by focusing on outcomes in our specifications, rather than defining the method by which these outcomes are to be achieved. In doing so, our aim is to encourage innovation in design.



- f) Ensure sustainability is considered in developing the specification for every procurement in appropriate, pragmatic and achievable approaches which help deliver the Park Authority's Net Zero corporate plan objective.

## **Legal Compliance and Governance**

12. The regulatory framework for public procurement in Scotland is complex and the thresholds at which legal regulations begin are low in relation to other territories.
13. The Procurement Officer has knowledge of the procurement rules and will continue to make all Park Authority officers who procure aware of the rules that affect their delivery.
14. Using our strategic approach, we will assess the risks of every procurement exercise as part of the development of our approach both to procurement exercises and to specification sourcing strategies. One of those risks is the legal risk of getting something wrong in the process. This is likely to be particularly the case where the pursuit of other objectives leads us to depart from the standard methodology. Any risks identified will be made known to the Procurement Officer and through them to the senior corporate managers responsible for oversight of this strategy, who will check the documents for an appropriate, risk managed approach to compliance, prior to issue to the marketplace.
15. Our central sourcing approach within this strategy focuses on the required use of Public Contracts Scotland (PCS) as the expected route to market for procurement and sourcing of goods, supplies and services, using Route 1 of the Procurement Journey, and Route 2 where contract values are expected to be no more than £100k.



16. Beyond this, we will have a supported procurement using Scotland Excel or other professional advisors who will provide wider strategic approaches to sourcing, such as supplier events, within a more comprehensive procurement plan. Contracts with expected lifecycle values of under £25k will be reviewed in-house to ensure appropriate routes to market are being used, considering the wider aims of the procurement strategy.

## Procurement Objectives

17. Procurement is not simply the role of the Procurement Officer and corporate managers. It involves everyone in the Park Authority who needs to obtain goods, services or works to deliver the service they are responsible for. The Procurement Officer's role is to empower everyone who needs to procure with the confidence and skills to make low value (under £25,000) and / or straightforward purchases without assistance and to contribute positively to the procurement process for higher value and more complex procurements.

18. The Procurement Officer and / or external procurement support will always be involved in a procurement process where the lifecycle costs exceed £50,000 and the process therefore follows Route 2 of the Scottish Government's procurement



journeys, or where the procurement requires novel or innovative solutions to support service delivery needs.

19. Testing procurement plans with the Procurement Officer for contracts with estimated values of £25,000 and over is also advised, to ensure as a minimum that potential lifecycle costs have been independently checked and that a route 1 procurement journey to fulfil the requirement is appropriate.
20. Procurement across the Park Authority, however carried out, will be achieved in a manner that is fair and transparent, by members of staff who are confident, knowledgeable and who show respect for and understanding of the marketplace they are operating in. In each succeeding contract, we will learn lessons from the previous contract, remedying weaknesses and building on what went well.
21. We will operate with the following specific objectives to the fore.

#### **To obtain value for money from every purchase**

22. Value for money in procurement terms, is not about accepting the lowest price. We will use a quality / price approach and evaluate all the costs associated with a purchase over the lifetime of the contract or of the delivered product alongside established quality criteria. Where appropriate we will continue to extract value during the operation of a contract, by engaging actively in contract management, by using key performance indicators to drive continuous improvement, and by building business relationships during long term contracts.

#### **To be a prized customer**

23. We want to work with the best contractors and suppliers in the market. In order to do this, it is important that we place ourselves as a valued customer and one those organisations are keen to work with.
24. There will be a single Park Authority 'contract owner' for each contract awarded. This person will be notified to the supplier and will provide a single point of contact for the contractor to seek further information or ask for assistance.



25. A schedule of payments will be agreed with suppliers at the beginning of each contract and when a payment is triggered on the schedule, the Park Authority will aim to have the money in the supplier's bank account within 10 days.

26. Where suppliers have submitted a bid for a Park Authority contract and not been successful, we will inform them promptly of the award decision. We will provide them with feedback on their bid if requested to do so.

### **To be lean and efficient in our procurement**

27. A procurement process, once begun, should be completed as soon as possible. Our preparation will be thorough so that the process can run without unnecessary delays. In a regulated contract, the target from issuing a contract notice to making the award of the contract will be 60 days.

28. It is important to suppliers that the time gap between their submitting a priced tender and receiving an award of contract is kept to an absolute minimum. Our target, with pre-authorized budget in place to cover contract value, is that the gap from tender closing date to award of contract should be no more than 30 days.

### **Community Wealth Building**

29. Community Wealth Building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Traditional public sector policy has focused on the redistribution of wealth after it is created, whereas community wealth building focuses on mechanisms to ensure that wealth is shared as it's created. CWB activities are arranged over the five pillar areas of spending, land and property, finance, workforce and inclusive ownership.

30. **Spending:** maximising community benefits through procurement, developing enterprises, fair work and shorter supply chains.

31. **Land and Property:** growing the social, ecological, financial and economic value that local communities gain from land and property assets.



32. **Finance:** ensuring that procurement activities work where possible for local people, local communities and local businesses.
33. **Workforce:** increasing fair work and developing local labour markets that support the wellbeing of communities. The Park Authority will support minimum wage objectives, such as a requirement that our contractors provide at least the real Living Wage through this aspect of our procurement strategy.
34. **Inclusive ownership:** developing more local and social enterprises that generate community wealth.
35. The Procurement Officer will have a key role in developing legally compliant approaches to procurement that support the Park Authority in delivering community wealth building benefits through its spending activities. To achieve this, the Park Authority will:

#### **Trade only with suppliers who behave ethically**

36. Companies who trade with the Park Authority will respect the environment and comply with the laws of their own countries. They will not infringe human rights, and they will not be involved with modern slavery. They will respect their own sub-contractors and suppliers and treat them fairly. They will not engage in fraud, bribery or corruption. Those suppliers will not only behave ethically themselves, but they will be active in ensuring that the same ethical practices are maintained in their own supply chains.
37. The Park Authority will actively support the Fair Work agenda through its inclusion of Fair Work Practice requirements as a scored element of all relevant tenders. We will use the tendering process to make clear our commitment as a Living Wage Accredited employer by ensuring that contractors paying the Living Wage or who commit to as part of their tender will be benefited in the scoring of tenders relative to others.
38. Use procurement as a tool to support positive influence on climate action plans





39. To this end, the Park Authority will seek to identify environmental issues that could present as either opportunities or risks, ensuring that contracts are optimised for positive outcomes.

40. At the commencement of every procurement the Park Authority will examine whether we need to buy at all. This will mean making sure that existing assets are utilised for their full economic life and extending the life is considered before replacement. Purchases should be made with a view to the circular economy and should be assessed on whole life costs.

41. Sustainability will be considered in developing the specification for every procurement. Specifications and criteria for contract awards will focus on 'full lifecycle impacts,' considering maintenance and decommissioning aspects.

### **Monitoring, Reviewing and Reporting on Strategies**

42. The Park Authority has committed to a transformation programme on procurement over 2024 and 2025 to address the increasing scale and complexity of its procurement activities, which themselves reflect the increasing scale and breadth of the organisation's operations. This includes investment in additional staff resource and external procurement support services. Our action plan delivery will be monitored initially monthly by senior managers and board representatives, and subsequently quarterly by management with oversight and scrutiny from the board's Audit and Risk Committee over the course of its delivery.

43. Wider reporting will be covered by the Annual Procurement Report.

44. Under the Procurement Reform Act of 2014, when annual procurement spend reaches £5 million, the Park Authority is required by Scottish Government to produce an Annual Procurement Report that records performance against this strategy. The report will include the following statutory reporting:

- a) Regulated procurements completed in the relevant period.
- b) Details of procurements undertaken in accordance with the strategy
- c) How the procurements undertaken have achieved the policies set out in the strategy and contributed to the wider aims and objectives of the Park Authority



- d) Details of policies not met in relevant period and how these will be achieved in the future
- e) Planned procurement over the next two years.

45. We will also seek to report on key performance indicators drawn from this strategy.

## Exceptions

46. There will be exceptional circumstances whereby non-competitive awards of contracts may be justified and merited. The Park Authority's Framework Agreement with Scottish Government establishes a delegated authority for non-competitive contracts awards to be approved where there is justification for doing so.
47. Any exception to our procurement expectations where a non-competitive action is proposed must be approved by either the Chief Executive as the Accountable Officer responsible for the Park Authority's compliance with the terms of the Scottish Government Framework Agreement, or the Deputy Chief Executive / Director of Corporate Services. Non-competitive awards approved will be recorded and drawn into annual procurement reports to support transparency of the Park Authority's purchasing activities.
48. For clarity, this provision does not cover very low value items where there are inherently no alternate suppliers, such as travel arrangements and accommodation arrangements and small items of office equipment or consumables.

Version number	Review date	Reviewed by	Description of changes	Next review date