

Procurement Strategy 2016 – 2020



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Executive Summary

This Procurement Strategy aims to demonstrate a clear and well-structured approach to West College Scotland's procurement activities. The Strategy will set out the procurement vision for the College and how this will be achieved.

The Procurement Strategy supports delivery of the College Corporate Plan and achievement of the Regional Outcome Agreement priorities.

The effectiveness and impact of our Procurement Strategy will also be measured via the Scottish Government Procurement and Commercial Improvement Programme (PCIP) which is undertaken every two years, thereby ensuring a culture of continuous improvement.

In addition to the promotion of improved procurement practices the Strategy is aimed at providing a focus for the dissemination of good practice and the means to identify and capture savings opportunities.

This Strategy will also ensure legislative obligations are complied with including:

- a requirement to publish a Procurement Strategy and action plan
- aligning the procurement objectives to the 5 strategic areas defined in the Scottish Governments Public Procurement Reform Agenda
- a requirement to maintain a public contracts register on our external website
- compliance with the increasing scope of regulated procurements
- a requirement to publish an annual procurement report
- the need to meet the sustainable procurement duty

The objectives identified in this Strategy are to:

1. Develop procurement skills , capabilities and knowledge
2. Create procurement plans and procedures whilst embedding legislative requirements
3. Further implement and develop electronic procurement systems
4. Identify and promote collaborative opportunities
5. Achieve efficiencies, cost savings and benefits (economic, social and environmental)
6. Undertake PCIP assessment
7. Improve contract renewal, monitoring and supplier management processes

The successful implementation of this Strategy will only be achieved by those involved in the procurement of goods, services and works working in partnership internally, and externally, working collaboratively with our partners across the wider education and public sector.

Collaborative working will contribute to the future sustainability of the College activities and allow the reinvestment of the resultant savings and benefits to enhance student learning experiences and meet our objectives as set out in the West College Scotland Corporate Plan.

This Strategy has been informed by the Scottish Government statutory guidance with the support of Advanced Procurement for Universities and Colleges (APUC) and will be subject to an annual review and reported to the Finance and General Purposes Committee.

The Procurement Strategy was approved by the College's Finance and General Purposes Committee on the 22 November 2016 and was subsequently published on the College website.

Introduction

West College Scotland delivers learning and vocational training to the West Region of Scotland, a catchment area of 1.2 million people, representing 23% of the resident population of Scotland. The College has an important presence and deep roots in our main towns of Paisley, Clydebank and Greenock, and our footprint stretches from Oban to Barrhead.

We are committed to taking a leadership role in the West of Scotland and, together with partners and stakeholders, tackling significant social and economic deprivation which still characterises many of the towns and communities across the region. The College works across local authority boundaries and engages formally with seven authorities.

As Scotland's second largest Regional College we provide education and training to almost 20,000 students. The College manages total funds of £67m and employs approximately 1,200 staff.

West College Scotland is one of the Region's largest employers and is uniquely placed to help shape the West region's educational landscape and contribute to its social and economic development. The College wishes to exploit its scale and capacity to maximise its impact as a leader and influencer across the region and the wider College sector. While students are at the heart of what we do, we want to attract business at home and from abroad, and we seek to build a reputation which is recognised for being innovative, enterprising and modern.

At West College Scotland, we recognise the key role that Procurement has in underpinning the development, improvement and success of our College. The Procurement Strategy provides the framework and direction to ensure procurement development and legislative compliance.

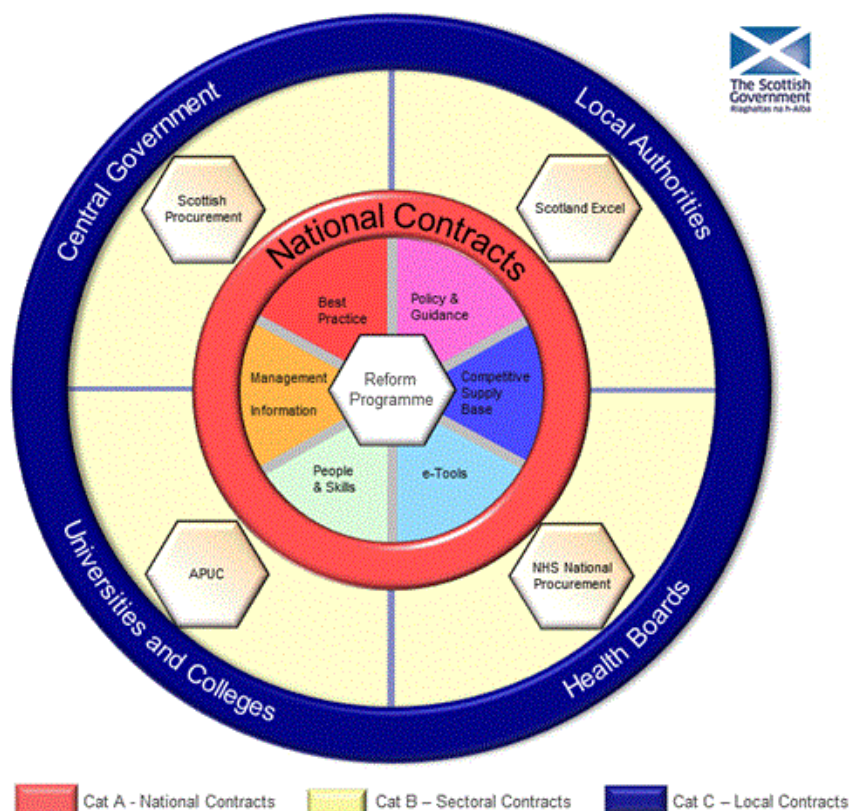
Procurement Strategy Context

Procurement is the process of acquiring goods, services or works. The process spans the whole life cycle of whatever is being purchased:

- From identification of needs and formation of a sourcing Strategy
- To options and supplier appraisals
- Through to the end of the contract or the useful life of an asset

Scottish Procurement is responsible for developing and advising on a range of procurement activity, including implementing policy and setting up contracts and framework agreements for itself and the wider public sector in Scotland.

The diagram below shows the inter-relationship between the different public procurement organisations and their respective responsibilities.

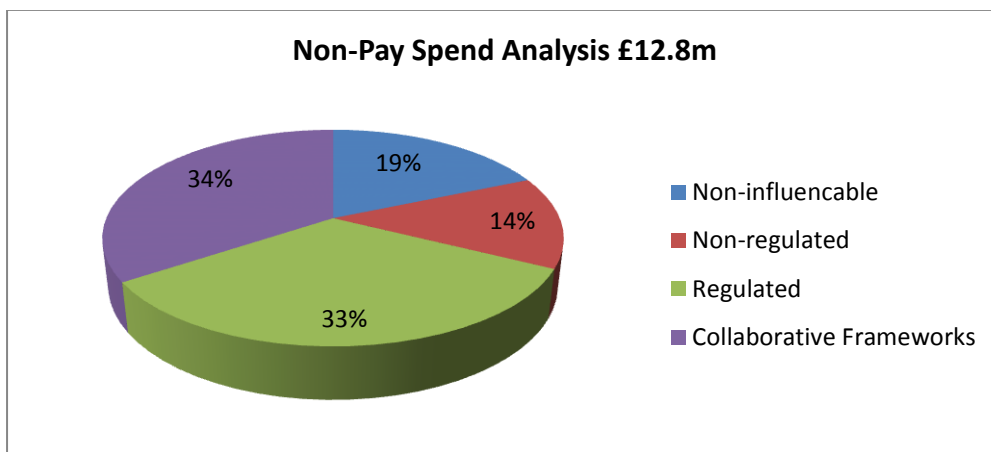


The college sector centre of procurement expertise is represented by APUC (Advanced Procurement for Universities and Colleges). It is responsible for sectoral (Category B) commodities within Scotland's colleges and universities. It aims to maximise the contribution that advance procurement makes to Scotland's investment in teaching and research.

This Strategy recognises that our procurement practice is based on this Scottish Model of Procurement which sees procurement as an integral part of policy development and service delivery and is essentially about achieving the best balance of cost, quality and sustainability.

As part of the requirements of the Procurement Reform (Scotland) Act 2014, this Strategy also focuses on a number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement processes detailed in Pages 11 to 12.

The College's annual spend profile for the year 2015/16 identified is displayed below with a total non-pay spend was in the region of £12.8m of which approximately £2.4 million was non-influenceable spend. The non-influenceable spend is the spend that related to statutory requirements (irrecoverable VAT, disclosure costs, exam fees, property rent and rates etc) and other expenditure not covered by procurement legislation.



For clarity, Collaborative Frameworks include both Category A and Category B contracts which the College are currently participating in.

Procurement is the process of acquiring these goods, works and services and this Strategy will outline the approach to be taken by the College in order to obtain best value for money from all procurement activities.

The strategic approach for procurement has been developed to take account of several key business drivers to achieve the College objectives to:

- co-ordinate current processes across all campuses
- identify improvement opportunities
- continually improve the procurement capabilities, assessed by PCIP
- increase internal and external collaboration
- develop standard processes for procurement activities
- adopt standard e-procurement systems and reporting tools
- promote training
- improve contract and supplier management
- develop performance management

The Strategy outcomes will be defined and monitored through an Action Plan covering the period of this Strategy and progress will be reported to senior management.

College Mission Statement and Procurement Vision

The Finance Department will provide procurement expertise and support for the College, minimising risks and delivering a positive service in support of the College's mission:

"Providing excellent education and training opportunities and services for our students, customers and communities."

Procurement will provide a customer focused service, improving teamwork and communication, maximising the use of resources, promoting efficiencies and innovation, driving legislative compliance, capturing savings and adopting sustainable practices which enhance equality and diversity in everything it does.

West College Scotland Strategic Priorities

Our Vision of a *'Collective ambition, pride and passion to be a vibrant and dynamic College – providing excellent education, training opportunities and services for our students, customers and communities'* will be achieved by implementing the College's eleven Strategic Priorities.

At the heart of our strategic priorities are our Ambitions, which include:

- To make a difference
- To be bold
- To be forward thinking, fast-moving, quick to explore new ideas and exploit fresh opportunities
- To build on areas where we currently demonstrate excellence; and to set new standards for learning, teaching and service delivery that others will aspire to
- To be a leader, working with partners to address local economic and societal challenges
- To innovate, grow, diversify and invest
- To have an engaged, flexible and modern workforce that is proud to work for West College Scotland

And alongside our Ambitions sit our Values:

- To ensure our students have the opportunity to achieve all that
- To ensure our students have the opportunity to achieve all that they can
- To place students and local communities at the heart of what we do
- To innovate
- To commit to professionalism and partnership
- To achieve and sustain excellence
- To have a 'can-do' attitude

The Procurement Strategy reflects our ambitions and values and is aligned to support the implementation of the following College Strategic Priorities:

Strategic Priority 1 – Inspirational and Innovative

We will provide education and training in inspirational and innovative ways to engage and meet the diverse needs of our students.

Strategic Objective 2

To develop a culture of continuous self-evaluation, involving all staff and students, which will focus on improvement and development.

Strategic Priority 4 – Supporting Success

We will support the development of our staff to achieve successful outcomes for themselves, our students and the College.

Strategic Objective 3

To promote the continual professional development of staff, enhancing their capacity, capabilities, skills and expertise.

Strategic Objective 5

To enhance meaningful engagement of students, involving them in decisions to inform and shape provision, enhance learning and teaching, including empowering students to take responsibility for their learning.

Strategic Priority 8 – Securing our Future

We will proactively look for new partners and new areas of activity, which will allow us to grow and develop our income to reinvest in our core business for the benefits of our students, our staff and our communities.

Strategic Objective 2

To enhance internal business processes, exploiting the use of technology where appropriate, to deliver user friendly, effective and efficient ways of working.

Strategic Priority 9 – Reputation

We will grow our profile and reputation both nationally and internationally. Our reputation will be based on the quality of our teaching, outcomes for our students and our willingness to strive for and set the highest standards across all areas of our work.

Strategic Objective 3

To identify and benchmark national and international best practice in pursuit of educational, training and service excellence.

Strategic Objective 4

To develop strategic alliances with key agencies to enhance our activities, locally, nationally and internationally.

Strategic Priority 11 – Committed to our Region

We will deliver a sustainable effective and efficient service to our communities, through the implementation of sound governance, leadership, planning and management.

Strategic Objective 1

To secure a well-managed, financially and environmentally sustainable College.

Strategic Objective 3

To develop and implement College operational planning processes and effective utilisation of resources to maintain strategic focus, manage risk and sustain growth.

Procurement Strategic Objectives

Our strategic procurement objectives form the core of our Procurement Strategy and are as follows:

1. Development and enhancement of procurement skills, capability and knowledge among procurement practitioners, plans, practices and governance frameworks;
Strategic Priority 4(3), 9(3), 11(1), 11(3)
2. Creation of procurement plans and procedures. Sound ethical, social and environmental plans should be embedded within the College's procurement activities and should comply with relevant Scottish and EU legislation in meeting the sustainable procurement duty;
Strategic Priority 11(1), 11(3)
3. Continued implementation and development of electronic procurement systems to support Purchase to Pay (P2P); **Strategic Priority 1(2), 8(2)**
4. Identification and promotion of collaborative and shared services opportunities;
Strategic Priority 4(5), 9(4)
5. Achievement of efficiencies, cost savings and benefits (economic, social and environmental);
Strategic Priority 11(1), 11(3)
6. Undertake Scottish Government Procurement and Commercial Improvement Programme (PCIP); **Strategic Priority 11(1)**
7. Improved contract renewal, monitoring and supplier management processes;
Strategic Priority 11(1), 11(3)

Mapping of Objectives to Scottish Government strategic areas

Each procurement objective is mapped to the five strategic areas as defined by the Scottish Governments' Public Procurement Reform Agenda namely: Sustainability, Access, Efficiency and Collaboration, Savings and Benefits, and Capability.

Procurement Objectives	Sustainability	Access	Efficiency & Collaboration	Savings & Benefits	Capability
1. Procurement skills & capabilities	√			√	√
2. Plans and Procedures	√	√	√		
3. e-procurement		√	√	√	
4. Collaboration/Shared Services			√	√	
5. Efficiencies, cost savings and benefits			√	√	
6. PCIP			√		√
7. Contract Management		√	√	√	√

These objectives and the detailed outcomes will be measured through an Action Plan (Appendix A) and through the publication of an Annual Procurement Report. This will ensure the combined outcomes of these objectives meet the College's statutory duties as well as providing operational improvements and sustainable outcomes.

Procurement Procedures

Procurement procedures will be developed as part of the aims of this Strategy for dedicated areas such as Communication and Engagement, Information Technology, Sustainability and Legislative Issues as well as general procurement.

These will set out the operational framework of how we conduct procurement and will be aligned to the Scottish Government's Procurement Journey.

This will facilitate our procurements being conducted in accordance with best practice in a legally compliant manner that is consistent with the college's aims in achieving value for money for our stakeholders. These will support the college's strategic approach to procurement.

Strategy compliance with the Procurement Reform (Scotland) Act 2014

To comply with legislation the College must observe a number of general duties and some specific measures which will be embedded in the Strategy Action Plan but are detailed below for clarity:

- **Contribute to the effective achievement of the college function and purpose**

The College will analyse its third party expenditure and identify 'EU regulated procurements' (OJEU thresholds -Goods and Services more than £164,176; Works more than £4,104,394) and also 'Reform Act regulated procurements' (Reform Act thresholds: Goods and Services more than £50,000 and Works more than £2 million).

In addition, the College will identify all procurements above £25,000 in accordance with the Financial Memorandum with the Scottish Funding Council (SFC).

The College will consider appropriate contract and supplier management to monitor and improve the regulated procurement outcomes.

- **Deliver value for money**

Value for money is defined as the best balance of cost, quality including sustainability.

The College through its procurement processes and practice will consistently apply these principles.

- **Treating relevant economic operators equally and without discrimination**

All procurements will be undertaken following the principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition together with the obligations under the sustainable procurement duty.

- **Acting in a transparent and proportionate manner**

The College will ensure it engages with its local supply market.

The College will take steps to make access easier for smaller and local businesses to bid for contracts through the use of Public Contracts Scotland and Quick Quote, smaller Lots and by publishing a contract register to highlight contract awards which may be of interest.

- **The Sustainable Procurement Duty**

To ensure compliance with the Duty, the College will give consideration to the environmental, social and economic issues relating to all regulated procurements. Considerations will be given to the benefits which can be gained (e.g. Community Benefits), on a contract-by-contract basis.

- **Policy on the use of community benefits**

The College will include Community Benefits on all procurements over £4m (Reform Act obligations) with a view to improving the economic social or environmental wellbeing of the communities around the College. Community benefit clauses will be included in appropriate tenders below this threshold to support the College's own strategic aims and aspirations.

- **Consulting and engaging with those affected by procurement**
 The College will adopt good practice principles for engagement with stakeholders and will endeavour to consider communities affected by its contracts and engage with stakeholders as required. Consultations, when used, will be on a scale and scope relevant to the procurement in question.
- **Living Wage**
 The College recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. The College will include Fair Work Practice (FWP) in its tenders for Services and Works.
- **Compliance with the Health and Safety at Work Act 1974**
 The College is committed to contracting with suppliers that comply with all appropriate and relevant legislation, including Health and Safety legislation.
- **Fairly and ethically traded goods and services**
 The College supports the sourcing of goods that are fairly and ethically traded and shall make use of appropriate standards and labels where appropriate to adopt fair and ethical trading considerations.
- **Health, wellbeing and education of communities and the promotion of animal welfare**
 The College will investigate practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents value for money and improves the health, wellbeing and dietary education of our teaching and learning communities, aligned with promoting animal welfare.
- **Payment terms**
 The College will comply with the Late Payment legislation and will review on a contract by contract basis whether such obligations can be enhanced with shorter payment periods or extension to the suppliers' supply chain.

Annual Procurement Report

Statutory Requirement

In accordance with requirements of the Reform Act the College will publish an Annual Procurement Report as soon as practicable after the College's financial year end and this will describe how we have discharged our obligations under the Act.

The Annual Report will also provide a commentary on the progress of the Strategy.

Contents of the Annual Procurement Report

To comply with legislation, the Annual Procurement Report will contain, as a minimum, the following:

- A summary of the regulated procurements that have been completed during the year covered by the Report
- A review of whether these procurements have complied with this Strategy
- The extent to which any regulated procurements did not comply, a statement of how the College intends to ensure that future regulated procurements do comply
- A summary of any community benefit secured
- A summary of regulated procurements with supported businesses during the year covered by the Report
- A summary of the regulated procurements the College expects to commence in the next two financial years
- Such other information as the Scottish Ministers may specify that demonstrates compliance with other legislation that places specific requirements on the College with respect to its procurement activities and the College will also consider including:
 - Details of those affected by our procurements and what we have done to respond to these views
 - An update on procurement performance and impact over the previous year
 - How the College is working with other bodies – for example procurement centres of expertise – to maximise effectiveness and efficiency.

Publication

The College will publish its Annual Procurement Report in a way that will enable stakeholders to form a clear view of the College's procurement performance.

Review

The first Annual Report will cover the period from 31 December 2016 to 31 July 2017 and thereafter cover the period 1 August to 31 July.

PROCUREMENT STRATEGY ACTION PLAN

References: CP – Corporate Plan Objective

Q1 = August/September/October

Q2 = November/December/January

Q3 = February/March/April

Q4 = May/June/July

Procurement Objective	Action	Target Date	Outcome Key Performance Indicator
1. Development and enhancement of procurement skills, capability and knowledge, processes, practices and governance frameworks CP 4(3); CP 9(3); CP 11(1); CP 11(3)	1.1 Improve communications	Q3 2016/17	<ul style="list-style-type: none"> • Maintenance of Procurement Hub on Intranet • Develop internal communication procedure
	1.2 Provide training opportunities	Q3 2016/17	<ul style="list-style-type: none"> • Undertake National Procurement Competency Framework • Organise refresher courses and take advantage of sector training
	1.3 Review processes/create procedures	Q2 2016/17	<ul style="list-style-type: none"> • Further develop portfolio of procedures • Present updated Procurement Strategy • Development of management information • Further development of contract management process
	1.4 Review procurement resource	Q2 2016/17	<ul style="list-style-type: none"> • Undertake recruitment if necessary • Identify contract ownership duties

Procurement Objective	Action	Target Date	Outcome Key Performance Indicator
2 Embed sound ethical, social and environmental procedures within the college's procurement activities and to comply with relevant Scottish and EU legislation in meeting the sustainable procurement duty CP 11(1); CP 11(3)	2.1 Define ethical requirements	Q2 2016/17	<ul style="list-style-type: none"> College ethical requirements will be embedded within procedures
	2.2 Define sustainability requirements	Q2 2016/17	<ul style="list-style-type: none"> Develop sustainability procedures
	2.3 Embed in standard documents	Q3 2016/17	<ul style="list-style-type: none"> Embed standard format to ensure sustainability issues are addressed in tendering exercises
	2.4 Define Community Benefit opportunities	Q3 2016/17	<ul style="list-style-type: none"> Develop Community Benefit Procedure, include standard clauses in documents Promote local, SME, supported business spend
3 Continued implementation and development of electronic procurement systems to support Purchase to Pay (P2P) CP 1(2); CP 8(2)	3.1 Implement P2P	Q4 2016/17	<ul style="list-style-type: none"> Promote the use of e-procurement across College (with the implementation of the new Finance system) including training where required
	3.2 Greater use of Quick Quote and Procurement Contracts Scotland	Q3 2016/17	<ul style="list-style-type: none"> Promote the use of Quick Quote (QQ) Monitor use of QQ and Procurement Contracts Scotland (PCS)
	3.3 Standard forms to support processes	Q4 2016/17	<ul style="list-style-type: none"> Develop and maintain standard online forms
4 Identification and promotion of collaborative and shared services opportunities CP 4(5); CP9(4)	3.1 Analyse spend to identify internal collaborative opportunities	Q2 2016/17	<ul style="list-style-type: none"> Maintenance of Contract Register Development of risk based approach to contract identification Consider creation of internal procurement network
	3.2 Investigate sector opportunities	Q1 – Q4	<ul style="list-style-type: none"> Participate in sector and other User Intelligence Groups

Procurement Objective	Action	Target Date	Outcome Key Performance Indicator
5 Achievement of efficiencies, cost savings and benefits (economic, social and environmental) CP 11(1); CP 11(3)	5.3 Identify efficiencies and cost savings	Q2 2016/17	<ul style="list-style-type: none"> Development of financial benefit tracking model
	5.4 Identify benefits	Q2 2016/17	<ul style="list-style-type: none"> Develop non-cash benefit tracking records and maintain identification of cash benefits
6 Undertake Scottish Government Procurement and Commercial Improvement Programme (PCIP) CP 11(1)	6.1 Submit college PCIP	Q2 2016/17	<ul style="list-style-type: none"> Prepare submission 2016/17 Develop 2 year future work plan
	6.2 Create improvement programme	Q3 2016/17	<ul style="list-style-type: none"> Develop action plan from PCIP outcome
7 Improved contract renewal, monitoring and supplier management processes CP 11(1); CP 11(3)	7.1 Enhance contract renewal monitoring	Q2 2016/17	<ul style="list-style-type: none"> Maintain Contract Register to be more inclusive and accurate Begin segmentation of main suppliers based on commodities supplied
	7.2 Engage with suppliers	Q4 2016/17	<ul style="list-style-type: none"> Review opportunities for meeting buyers
	7.3 Report outcomes	Q4 2016/17	<ul style="list-style-type: none"> Further development of management information and reports

GLOSSARY OF TERMS

Agreement

Mutual consent between two or more parties, an essential component of a valid contract.

Aggregation

In order to determine whether the value of goods / services reaches a threshold under the relevant EU directive or Reform Act threshold, a buyer must combine, i.e. aggregate, the value of orders or potential orders e.g. £80k per annum over 3yrs = £240k contract value.

APUC

The Centre of Procurement Excellence for the Higher Education and Further Education sector. This organization creates collaborative procurements, accessible to all HE/FE establishments should they choose to use them.

Benchmarking

The process of comparing performance or price with others to identify areas for improvement.

Best Value

Often known as 'value for money'. The optimum combination of whole life costs and quality to meet the customer's requirement.

Collaboration

The establishment of a contract for the use of participating clients. Clients must agree to participate in the collaboration from the outset and agree to honour the terms and conditions which constitute the contract.

Continuous Improvement

A process of improving an organisations or supplier's performance over a given period of time with agreed areas or criteria requiring improvement.

Contract

A 'business contract' implies the entry into an unambiguous legal agreement with a company, another party, person (other supplier) to deliver supplies (goods/services) or to do something (e.g. construct a building) on mutually agreed terms.

Contract Management

Managing the relationships between all parties in the most effective way so as to ensure the contract meets the optimum combination of cost, time and quality.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has become the broadly accepted phrase to describe a collection of related disciplines, all of which combine to represent an organisation's overall ethos – its personality, philosophy and character, as regards its role in the world in the largest sense.

Corruption

Any action that involves inducement by means of improper 'consideration'.

Cost

The total contract sum including price plus any additions that may be associated with ownership and use, e.g. maintenance or disposal.

eMarketplace

Virtual area that enables companies/individuals to offer their goods or services for sale also enables people to purchase goods or services electronically

eProcurement

Ability to purchase/sell through electronic trading via the Internet

Ethics

An increasingly important aspect of business nowadays, as people become more aware of such issues as child labour in the third world, despoliation of the environment, and so on. A framework of ethical and moral theory and practice describing best behaviour in procurement.

Fair Work Practices

Definition of working conditions and practices which are considered conducive to best practice working conditions for staff.

Invitation To Tender (ITT)

A request made to potential suppliers to submit bids on goods, works and services to be purchased. Commonly known as Request For Quotation (RFQ) for smaller values.

Key Performance Indicators (KPI)

They are used in performance management to monitor and assess the present state of the business or a contract and to inform the best course of action for satisfactory completion of business strategies or contracts.

Life-Cycle Costing

Total costs of an item throughout its life, including acquisition, operational, maintenance, support and disposal costs.

Living Wage

The UK national Living Wage which also effectively becomes the UK national minimum wage, and obliges minimum hourly levels of pay for staff.

PCA/PCIP

A national assessment exercise of procurement capacity and capability.

PCA (Procurement Capability Assessment) was the original assessment tool and was conducted on an annual basis up until 2013, when it was withdrawn and replaced with PCIP.

PCIP (Procurement Commercial and Innovation Programme) has replaced the PCA. Both assessments consider a suite of questions which are applied across the public sector and allow an organization to benchmark and compare its progress against others in areas of procurement capacity, expertise and improvement.

Procurement

Often used interchangeably with Purchasing. Procurement is the totality of acquisition starting from the identification of a requirement to the disposal of that requirement at the end of its life. It therefore includes pre-contract activities e.g. sourcing and post contract activities e.g. contract management, supplier relationship management activities. However, it does not include stores management and logistics. Procurement relates to goods, works and service requirements.

Procurement Competency Framework

A national assessment tool which allows individual procurement practitioners to identify their competencies, their knowledge gaps and their requirements for future training.

Public Contracts Scotland (PCS)

A national e-sourcing tool which reflects best practice (the Procurement Journey) as defined by the Scottish Government. The tool allows practitioners to conduct their procurements in a standard compliant manner, it also provides a hub for suppliers to register for work and bid for work in their commodity categories. The tool allows electronic, paperless, tenders.

Public Procurement Directives (EU Directives)

The EU procurement Directives set out the legal framework for public procurement. They apply when public authorities seek to acquire goods, services and works. They set out procedures which must be followed before awarding a contract when its value exceeds set financial thresholds.

Purchasing

Often used interchangeably with procurement is to acquire goods, works or services from a selected supplier. Purchasing is a component of the wider function of procurement and consists of activities such as ordering, expediting, receipt and payment.

Purchase To Pay (P2P)

A seamless process enabled by technology designed to speed up the process from point of order to payment.

Quick Quote (QQ)

Provides the same service as **PCS** (mentioned above) but for lower value procurements, usually values under £50k the regulated contract threshold. QQ provides the platform for seeking quotations as described below and provides a hub for suppliers to register the commodities they are interested in and submit bid for quotation requests from buyers.

Quotation

Not to be confused with "estimate". Quotations are preferable because they should give an accurate price for the goods or services offered, whereas an estimate gives an approximate cost of the goods or services concerned.

Request for Information (RFI)

A request to suppliers to engage with the market place to gain technical or commercial information and market knowledge. An RFI is usually issued on more complex procurements and is usually a part of a Prior Information Notice and issued to those suppliers expressing an interest in the procurement. The scope of the RFI can be varied and information adopted will be included in the tender and available to all participant bidders.

Risk

The combined effect of the probability of occurrence of an undesirable event and the magnitude or impact of the event on a procurement process.

Risk Management

Involves three key activities, risk analysis, risk assessment, and risk mitigation, all of which facilitate the taking of decisions and actions to control risk appropriately by providing a disciplined and objective approach.

Reform Agenda, Scottish Government Public Procurement

A general programme of procurement improvement which has been ongoing since 2006. Besides legislative changes the programme has informed best practice which is available as the Procurement Journey on the PCS website.

Regulated Procurement

These are procurements which exceed the various financial thresholds imposed by EU Directives and the Procurement Reform (Scotland) Act and are classified as “regulated”. These procurements must adopt the procedures and requirements of these procurement legislations.

Services

Usually coupled with goods, as in goods and services. Services are intangible items such as maintenance, marketing or consultancy.

Sourcing

Searching marketplaces for sources of goods and services, or works contractors. Strategic sourcing is the attempt to make sure everything is being sourced as efficiently as possible.

Supplier Rationalisation

Strategic approach to reducing a large numbers of suppliers to manageable few and from which contractual benefits can be obtained.

Supplier Relationship Management (SRM)

The process for managing the interaction between two entities of a contract– the supplier of the goods, works or services and the organization in receipt of those items.. SRM is a two way process in that it should improve the performance of the buying organisation as well as the supplying organisation and hence be mutually beneficial

Sustainable Procurement Duty

Specific obligations laid down in legislation, EU Procurement Directives and Procurement Reform (Scotland) Act to promote and encourage sustainable practices.

Tender

An offer to provide goods or services, in response to an invitation to tender, for a specified price and an agreed quality.

Unique/Sole Supplier

A supplier who is the only organization in the marketplace who can supply a particular requirement - a good, service or works. The supplier may be unique due to intellectual property rights, for example, particular IT software that others cannot copy, or may own a particular manufacturing process or product which cannot be made by others, e.g. a published book or music score.

User Intelligence Group (UIG)

A group created from participants in collaborative procurement. The group is made up of technical and procurement staff but may be augmented by operational or administrative expertise (e.g. legal, finance, etc) who combine their expertise to create a best practice and innovative procurement.

Value For Money (VFM)

Is the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user’s requirement? This will not mean lowest price, but the most advantageous of a combination of price and quality.