

Registers of Scotland

Procurement Strategy 2017-2020



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1. Executive Summary

The procurement function at Registers of Scotland (RoS) continues to develop to meet the challenges of an ever changing public sector procurement landscape. In particular, the function has strengthened its capacity, focus and direction. This document is designed to provide a platform for future strategic procurement development and activity, and an understanding for both the function and the organisation of the activities required to optimise and maintain the significant business benefit that a professional and valued procurement operation can deliver.

The ultimate goal is the ongoing development of a high quality strategic procurement function that adds significant, sustained, measurable benefits to RoS and to the internal customer. In addition to this it plays a significant role in supporting the wider Scottish Government procurement community.

In the development and delivery of our goals and objectives we will demonstrate how the procurement function will make a significant contribution to delivering RoS strategic objectives set out in the [2016 – 2019 Corporate Plan](#).

This Strategy also ensures that Registers of Scotland fully complies with its obligations under the Procurement Reform (Scotland) Act 2014.

2. Introduction

Recognising that effective and efficient procurement will positively support Registers of Scotland in achieving its objectives, this strategy provides a corporate vision, direction and focus for all procurement activities in the organisation.

Following employee costs, procurement activity represents the majority of RoS expenditure totalling £17.9m for 2015/16. This places a great emphasis on ensuring that appropriate contracts are in place and deliver best value. RoS is committed to developing and improving its procurement practices to ensure that procurement activities are as effective and efficient as possible.

In 2016 the Procurement Reform Act (Scotland) came into effect. The act focuses on changes to the award of certain contracts, the requirement to produce a procurement strategy and annual report.

3. Strategy Context

The RoS procurement strategy has been regularly updated over the past 7 years. 2016 now presents an opportunity to build on this strategy, setting the direction for the future and forming the foundation for the ongoing delivery of advanced procurement. The strategy covers the next 3 years and this will be aligned with the RoS Corporate Plan and updated annually.

The procurement function retains enormous potential in terms of the base processes in place, and in the development of its people. The team has made major progress in its ability to make the impact it feels it could. Moving forward, there has to be clarity in ownership of key activities, particularly in respect of managing supplier relationships, contract management, and supplier performance management. Significant progress has been made in integrating different functions in the organisation in order to take joint responsibility for managing such relationships.

The implementation of e-Procurement (PECOS) significantly reduced the percentage time spent on administrative duties and manual processes. This was followed by the introduction other e-processes such as Quick Quote. We will continue to implement further e-processes such as PCS-Tender and eInvoicing.

These systems are modern and easy to use allowing us to remove the majority of manual supporting processes and to focus on delivering value.

The procurement function is focusing on a strategy that will enable it to become recognised as a high value, high impact area of the business, building on, and introducing a greater level of rigour to, its existing core procurement processes, developing strategic tools, systems and its people, to deliver a level of service and performance that is recognised and valued by all internal and external stakeholders.

The function has and will continue to analyse and transform its processes, and if pertinent, its systems, to enable a strategic, as opposed to transactional focus. The function will embrace the Public Procurement Reform Group's Delivery Plan based on the 7Cs Capability, Competitiveness, Capturing savings and benefits, Coverage, Collaboration, Corporate Social Responsibility and Communication and continue to develop a more proactive and collaborative approach to procurement, identifying customer

needs through the development of strong internal relationships, understanding commodity market dynamics, delivering against key corporate and public sector wide targets.

Individuals will take ownership of the development of commodity sourcing projects and plans, with responsibility to identify and engage the internal customer, and the development of collaborative cross-functional team-working, which ensure all stakeholders are satisfied, and buy-in is achieved through their direct involvement. Plans, activity, results and successes will be communicated via specific marketing and communications plans aimed at keeping key stakeholders informed. Performance will be measured and reported internally and externally to ensure that customer satisfaction is achieved and that the customer and the organisation understands, recognises and values the benefits being delivered. The function will ultimately be judged on its contribution to corporate objectives, the extent of its capability using the Scottish Government's Procurement and Commercial Improvement Programme (PCIP) tool (our main objective being to maintain a rating of M1, which is the highest level attainable), the pertinence of sourcing strategies in place and how they meet the requirements of internal stakeholders.

Job satisfaction, and the morale and motivation of the team, is a key focus area. Skills review and effective personal development planning will remain an integral and permanent part of the function's development process. Without it, success is not likely. The Team recognises that in order to develop procurement into a strategic business function, there must be a significant investment both on the part of themselves and of RoS in skills development.

4. RoS Vision

RoS' published Vision, Values and Strategic Objectives are intended as a driver for the way in which we strive to conduct our business.

Our vision is,

“To deliver customer-focused registration and information that creates value for Scotland.”

The values that we expect our people to display in realising our Vision are:

Impartial	We act without bias, keeping information secure and presenting it accurately.
Professional	We recognise that customers need us to be efficient and effective in a way and work with pace pride and passion in a way that they would expect.
Forward thinking	We must always add value for the public of Scotland finding better ways to deliver what they and the Scottish economy need.
Customer-focused	The way we deliver our services is focused on our customers needs not our own. We will strive to understand what our customers need and why they need it so we can design our processes and services for them.

5. RoS Procurement Vision

Our aim is to maintain a quality strategic procurement function, which has been assessed as delivering superior performance in the Scottish Public Sector. By this we mean one that provides a value added service, measurable and sustained benefits through proactive management of external resources and internal strategic skills, a function that can deliver significant benefits to the organisation and the people of Scotland through sustainable economic development.

We seek to share our skills, knowledge and experience and support our colleagues in other public sector organisations in improving procurement across the public sector.

RoS values focus heavily on continuous improvement and meeting customer expectations, efficiency and the satisfaction of all business stakeholders. In developing its vision, objectives and targets the procurement team has attempted to capture those values within a short, easy to understand statement with which our key internal stakeholders can identify:

Develop a high quality, strategic procurement function, dedicated to the delivery of its customers' needs and of measurable sustained value in support of organisational goals and objectives.

The vision, developed and agreed within the function, must be communicated and widely accepted and be felt by the team as a driver for our transformation both at a strategic level, and in the way, we do business on a day to day basis.

Our headline objectives are:

- To ensure value for money in all that we do
- To ensure compliance with all internal and external policies and legislation
- To promote understanding of the need to control the demand for goods and services
- To manage how we commit our resources and spend our budgets
- To maintain a strategic approach to procurement
- To develop staff and equip them with the skills to effectively carry out their duties
- To maintain a responsible approach to procurement that takes into account corporate social responsibility and sustainable economic development
- To be transparent in what we do

This strategy sets out our high level objectives and the context in which we wish to deliver our services.

6. RoS Strategy Rationale

Our strategy is to improve continuously. The strategic approach to procurement has been developed to take account of several key business drivers; the contribution to the achievement of RoS organisational objectives, the successful delivery and achievement of the RoS procurement outcomes continually improve our procurement capability.

RoS is subject to the Scottish Governments Procurement and Commercial Improvement Programme (PCIP) Assessment to test how far we have progressed and also to identify areas that require improvement. Key performance attainment benchmarks are embedded into the process.

Procurement Representation

Risk Management

Procurement Influence

Fraud Awareness & Prevention

Procurement Strategy

Commercial Acumen

Learning & Skills: Resource & Skills

Continuous Improvement of Procurement Activity

Learning & Skills: Capability

Spend Analysis

Internal Control Systems

Procurement Process Automation

Each benchmark has been qualified by a series of outcome statements that we will deliver by the end of the three year strategy period.

Implementation and delivery will be progressed through a Procurement Action Plan that will be developed for each of the nine areas for improvement. The Action Plan will be monitored and reviewed by the Procurement Manager at determined intervals with issues and risks escalated to the Head of Procurement for appropriate remedial intervention. Strategic targets will be aligned to each financial year and will be reviewed annually to ensure that an efficiency focus is maintained year on year. The results will be reported annually and new targets set for the coming year.

7. RoS Procurement Performance & Action Plan

The following performance indicators will be used to monitor progress and performance for the lifespan of the strategy:

Performance	
Performance Indicator Name	2020 Target
Percentage of all RoS expenditure covered by contracts	80.0%
Percentage Usage of Category A & B contracts which demonstrate Best Value	100.0%
Number of collaborative opportunities explored as a percentage of all contracts implemented.	100.0%
Percentage of customers who rated their involvement in procurement exercises and improvements as good or excellent.	95.0%

Action Plan

Action Plan			
Action Plan	Description	Planned Outcome	Status (Planned, Active, Complete)
Contract Development	Develop a contract strategy for each area of spend	Ensure best value across the organisation for all procurement requirements	Active
Increase Contract Collaboration	Increase the number of contract collaboration opportunities with other public sector organisations	Increased use of collaborative contracts where best value can be delivered	Active
Implementation of Public Contracts Scotland- Tender (PCS-T)	Move RoS onto using PCS-T for all Invitation to Quotes (ITQ's) and Mini Competitions.	Reduction in tender/mini comp preparation and evaluation time	Active
eInvoicing	Implement the SG eInvoicing system	Electronic submission of invoices to reduce processing time	Planned

8. Strategic Aims & Objectives

The aim of the RoS procurement strategy is to deliver a transparent, effective and legally compliant procurement service that offers best value, follows best practice and is aligned with the RoS corporate plan.

The strategy will be achieved by working with internal customers and external suppliers, collaborating across the public sector, and ensuring RoS has a professional and capable procurement team.

A strategic approach to procurement encourages an integrated procurement process and flow of information that encourages all parties to work together to develop and deliver contracts that offer a holistic approach to RoS. The goal is to consider how the outputs of the contract can deliver the best result that is directly tied to the strategic aims of RoS through collaborative working.

The tangible outputs from this process will demonstrate a sustainable model of ethical procurement that delivers best value while promoting and developing relationships across RoS and its supply chain.

RoS will strive to continuously improve and measure its progress by monitoring results from internal surveys and external evaluation by involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP).

10. Finance

	Metric	Guidance	Values
1	Total Procurement Relevant Spend in the Last Financial Year	This is the cleansed spend value which Procurement have in scope.	£17,976,814
2	Total Procurement Influenced Spend in the Last Financial Year	The value of the Procurement relevant spend which was influenced by Procurement.	£17,976,814
3	Value of Contracts / Frameworks in the Contracts Database	A snapshot of the total annual value covered by contracts contained within the RoS Contracts Database	£12,919,549
4	Total Relevant Spend through Collaborative Contracts in the Last Financial Year	Total Relevant Spend which was spent using a Cat A & B & C1 contract/framework	£14,796,049
5	Total Relevant Spend through a CAT C Contract in the Last Financial Year	Description: Total Relevant Spend which was spent using a CAT C contract/framework	£3,180,765
6	Total Spend to SME Suppliers in the Last Financial Year	Description: Spend with SMEs	£7,034,184

11. Policies, Tools and Procedures

Key to a strategic approach to procurement are a number of specific tasks carried out during the life cycle of a contract. The management of these key tasks helps to deliver an embedded approach to procurement that can easily be understood, followed and delivered by the organisation. The majority of these tasks are driven directly from The Procurement (Scotland) Regulations including the requirement to create, publish and review this strategy document.

The key tasks in carrying out compliant strategic procurement include:

- Use of the SG Procurement Journey model of procurement activity
- Project team/stakeholder consultation and engagement
- Market engagement and early supplier involvement
- Transparent and proportionate procurement using quotations and tenders
- Collaborative procurement exercises
- Electronic procurement (PCS, PCS-T etc)
- Contract and supplier management
- Delivering value for money through effective evaluation criteria
- Sustainability considerations including the Living Wage and community benefits
- Contract recording and publication
- Implementation of eInvoicing
- Encouraging SME participation
- Engagement with supported businesses
- Procurement review and improvement

Further guidance including step by step instructions where appropriate can be found in the RoS Procurement Policy document that has been written to help deliver this strategy.

13. General Approach to Procurement

RoS will treat all suppliers equally and without discrimination. We will act in a transparent and proportionate manner. We will never charge for the supply of tender documentation.

RoS will continue to use Scottish Government and Crown Commercial Service frameworks where appropriate. Where no appropriate frameworks are available, for regulated procurements (over £50k), the procurement team will work with our internal customers to design, develop and procure contracts that are fit for purpose, ensure value for money and are compliant with legislation.

Advertising

RoS will publish all contract and award notices on the Public Contracts Scotland portal. A link to our buyer profile can be seen [here](#).

Procurement Journey

RoS will follow the Scottish Governments Procurement Journey. This supports all levels of procurement activities and helps manage the expectations of stakeholders, customers and suppliers alike. It also facilitates best practice and consistency across the Scottish public sector.

Unsuccessful Bidders

RoS will comply with the requirements of the Procurement Reform (Scotland) Act 2014.

All suppliers are entitled to ask for the reasons why their quotation or tender was unsuccessful. All feedback is documented for audit purposes and will be based on the objective criteria that was used to evaluate the quotation.

Payments to Suppliers

We are committed to paying our suppliers promptly and will pay undisputed invoices within 30 days from receipt. To ensure that this flows through the supply chain we will monitor payments made to sub-contractors in all of our major contracts.

In the year ending 31 March 2016, we paid 98% of suppliers' invoices within 30 days.

Contracts Register

RoS maintain a contracts register which can be found [here](#).

This will be updated quarterly.

Contract Management

Suppliers and contracts will be managed in accordance with the Contract and Supplier Management Process contained within the Scottish Government Procurement Journey.

Compliance with EU Public Procurement Directives

Registers of Scotland will fully comply with its obligations under the Public Contracts (Scotland) Regulations 2015 (commonly referred to as the EU Procurement Directives).

Collaboration

Whenever possible RoS will assist the Scottish Government in putting in place collaborative agreements for the supply of goods and services.

RoS will utilise collaborative agreements for the supply of goods, services, and works whenever requirements can be fully met through using them.

RoS will continue membership of the Procurement Collaboration Group, its Procurement Cluster and various User Intelligence Groups.

Value for Money

Value for money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet RoS requirements. Depending on the nature of the contract, whole-life cost may include implementation costs, on-going operating costs and end-of-life disposal.

In awarding contracts on the basis of the most economically advantageous tender RoS balances the quality of the goods, services and works being procured against price. To complement this, RoS will frame specifications in a way which encourages innovation rather than defining the solution.

People and Skills

To ensure that procurement staff within RoS have the suitable skills and competency levels to undertake their duties, we will complete the Scottish Governments Procurement Competency Framework document on an annual basis.

The framework assists individuals to take ownership of their personal development through skills assessment, identification of training and development needs and career planning.

RoS will continue to support the Scottish Governments Procurement People of Tomorrow initiative and encourages the use of modern apprentices.

Flexible Framework

In line with Scottish Government recommendations, RoS will complete the Scottish Sustainable Procurement Action Plan on an annual basis.

The Flexible Framework enables measurement against various aspects of sustainable procurement and allows RoS to assess where our current level of performance lies and the actions required to improve it.

Procurement & Commercial Improvement Programme (PCIP)

RoS is fully committed to the Scottish Governments PCIP and aims to continually improve its score. RoS is currently rated as an M1 organisation.

Living Wage through our Regulated Procurement

RoS is a Living Wage accredited organisation.

We are committed to promoting the use of the Scottish Living Wage. We will continue, to incorporate evaluation of workforce matters into all contracts where the use of labour is a key deliverable.

Where suppliers have staff working on our premises, these employees are being paid the Scottish Living Wage.

Community Benefits

The Procurement Reform (Scotland) Act 2014 includes a sustainable procurement duty on public sector bodies requiring them to conduct their procurement in a way that will secure economic, social and environmental wellbeing and a requirement that public bodies consider the use of community benefits in major contracts.

We will promote the use of community benefits within procurement exercises where relevant and proportionate to the contract.

SME's, Supported Businesses and Third Sector Organisation

We will continue to review and update our procurement policies and procedures to ensure that we contribute to improving social, economic and environmental wellbeing where relevant in delivering our contracts. This ongoing review will ensure that we remain an inclusive organisation and encourage a diverse range of suppliers including SMEs, the third sector and supported businesses.

A 'supported business' means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

We will promote use of the Scottish Government's Supported Business and Factory Framework.

13. Implementation, Monitoring, Reviewing and Reporting

This strategy will be implemented on a day-to-day basis by the Procurement Team, working with colleagues within RoS.

- This Strategy will be reviewed and reported on annually
- The Contracts database will be updated and published quarterly
- The Action plan will be reviewed monthly
- A Summary of community benefits as part of regulated procurements in the reporting period will be produced
- A Summary of steps taken to facilitate involvement of supported businesses in regulated procurements during the report period will be produced