



CROWN OFFICE
& PROCURATOR
FISCAL SERVICE

SCOTLAND'S PROSECUTION SERVICE

COPFS Corporate Procurement Strategy

01 April 2018 to 31 March 2021

COPFS Corporate Procurement Strategy 2018 - 2021

Section	Title	Page
1	Strategy ownership and contact details	1
2	Introduction	1
3	Strategy Rationale/Context	3
4	Procurement Vision/ Mission Statement	3
5	Strategic Aim, Objectives and Key Priorities	4
6	Progress made during 2017/18	8
7	The year ahead 2018/19 including Spend/Finance	11
8	Implementation, Monitoring, Reviewing and Reporting	14
9	Summary	16
Appendices		
A	Priorities in detail	17
B	Policies, Tools and Procedures	24
C	Glossary	32

1. Strategy Ownership and Contact Details

The owner of this Strategy on behalf of the Crown Office and Procurator Fiscal Service, is the Crown Agent and Chief Executive who can be contacted at 25 Chambers street, Edinburgh EH1 1LA.

This strategy covers the period 1 April 2018 to 31 March 2021. It will be reviewed at least annually and any new versions will be published on our website: [COPFS Publications](#).

2. Introduction

COPFS is Scotland's sole prosecution authority.

Our main roles and responsibilities are to:

- investigate, prosecute and disrupt crime, including seizing the proceeds of crime;
- establish the cause of sudden, unexplained or suspicious deaths; and
- investigate allegations of criminal conduct against police officers

Our Key Objectives are to:

- secure the confidence of our diverse communities by improving the delivery of justice through the timely, efficient and effective prosecution of crime;
- give priority to the prosecution of serious crime, including drugs trafficking and persistent offenders;
- provide services that meet the information needs of victims, witnesses and next-of-kin, in co-operation with other agencies; and
- ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily.

COPFS Corporate Procurement Strategy

The Procurement Reform (Scotland) Act 2014 Section 15 requires any public organisation, which has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, to prepare and publish a procurement strategy.

COPFS's non-staff expenditure budget comprises approximately £30 million from a running costs budget of approximately £112 million and all of the £3.6 million capital budget. However, not all of this expenditure involves regulated procurement (contracts with a Whole Life Value (WLV) of more than £50,000).

This Corporate Procurement Strategy should be read in conjunction with COPFS' [Strategic Plan](#) and the [Financial Strategy](#) as all three are closely aligned and related. All investment decisions are made on the basis that the expenditure will contribute directly or indirectly (eg expenditure on IT equipment) to the pursuance of these responsibilities and objectives.

This document sets out the COPFS's Corporate Procurement Strategy for 2018–2021. It builds upon and extends the 2017-19 strategy (published in December 2016). Going forward, this Corporate Procurement Strategy will be reviewed and updated annually. Above all else it is a live document which will reflect the dynamic procurement environment in COPFS. Subsequent versions of this strategy will reflect the impact of Britain's withdrawal from the European Union in so much as it is relevant to COPFS's procurement activities.

The purpose of this Strategy is to set out how the COPFS will plan and manage our procurement processes to meet our corporate aims and objectives and comply with regulatory and legislative requirements. The Strategy applies to all procurement conducted by the COPFS and CGPSS/SGPT on behalf of COPFS.

The Corporate Procurement Strategy is designed to ensure that:

- Staff are supported to deliver our corporate objectives in such a manner as to make optimum use of all resources; and
- Procurement activities are undertaken effectively, efficiently and economically whilst ultimately contributing to the realisation of the economic, social and environmental benefits.

Our focus is on **Securing Value for Money**, based on the **Scottish Model of Procurement** which defines Value for Money as the best balance of cost, quality and sustainability whilst contributing to our broader aims and objectives.

The Crown Office and Procurator Fiscal Service (COPFS) is committed to ensuring that all procurement and contract management activity complies with EU and UK legal frameworks and Scottish Government policy and guidance. We will comply fully with all aspects of Scottish Government policy on procurement. Full details of the relevant legislation can be found in this paper and its appendices.

This Strategy has been informed by:

- the Public Contracts (Scotland) Regulations 2015;
- the Procurement Reform (Scotland) Act 2014;
- the Procurement (Scotland) Regulations 2016;
- the Utilities Contracts (Scotland) Regulations 2016; and
- the Concessions Contracts (Scotland) Regulations 2016.

The Corporate Procurement Strategy is designed to take a responsible and sustainable approach to procurement.

Each year, COPFS will publish a Procurement Annual Report to document the progress that we have made towards implementing our Procurement Strategy.

3. Strategy Rationale / Context

Our budget is finite.

The money that we take from it to spend externally on goods and services is not available to pay for staff.

Reducing this expenditure will allow us to maintain our staff numbers.

Doing so is, therefore, one of our key corporate priorities.

In common with the rest of the UK public sector, is required to delivery efficiency savings. Better procurement and contract management will support the continued delivery of COPFS's objectives within an increasingly challenging financial environment.

Our focus is on **Securing Value for Money**, based on the **Scottish Model of Procurement** which defines Value for Money as the best balance of cost, quality and sustainability whilst contributing to our broader aims and objectives.

Definition of Procurement and Contract Management

Procurement and Contract Management are the processes of acquiring goods and services from third parties (from the identification of a requirement and the preparation of a Business Case through to the end of the useful life of an asset or contract).

4. Procurement Vision / Mission Statement

Our vision is:

To undertake high quality, legally compliant Procurement activity which provides best value for the COPFS and which supports the COPFS in the delivery of its corporate aims and objectives.

Our mission is:

To ensure that procurement by COPFS delivers value for money, cost savings and improved efficiencies for the benefit of the COPFS and all of our stakeholders.

5. Strategic Aims, Objectives and Key Priorities

Strategic Aims

We will work towards achieving best practice in procurement and continuous improvement in value for money and quality in the goods, services and works that are procured; while complying with the regulations, behaviours and standards outlined in the Scottish Procurement Policy handbook. Our work is focussed in the following key areas:

- Delivering savings, benefits and efficiencies through procurement and contracting activity - to obtain maximum benefit from the money that COPFS spends on goods and services to ensure that they are fit for purpose, of the required quality, delivered at the right time and that they are focussed on supporting the delivery of our corporate objectives and critically to ensure that as much of our total budget as possible is available to maintain staff numbers and therefore outputs;
- Compliance with EU legislation, Scottish Government legislation and guidance and other legal requirements;
- Enabling procurement and commercial capability through the provision of:
 - Procurement and commercial policy and advice;
 - Construction procurement policy and advice;
 - Property, asset and estate management advice as requested by the Facilities Management Shared Service Board;
 - eCommerce solutions, best practice tools and templates;
- A focus on developing our people and ensuring supportive and enabling cultures; and
- Proportionate project assurance and continuous improvement activity.

Our procurement processes are designed to ensure that all of our procurements are carried out in compliance with our duty to treat relevant economic operators equally and without discrimination and that all procurements are carried out in compliance with our duty to act in a transparent and proportionate manner.

Objectives

COPFS is taking a number of steps to achieve these aims, including setting **three key objectives** of securing **Value for Money; Compliance and Control**. In practice this means:

- Securing savings from better procurement and contract management which allow the reduction of non-staff budgets and the redeployment of funding to staff budgets;
- Ensuring that all procurement activity is under a valid contract (minimising Off Contract Expenditure);
- Ensuring that all contracts are entered into by staff with the requisite Delegated Procurement Authority, following a robust approvals process including robust, compelling and proportionate business cases;
- Ensuring that all contracts are awarded through a compliant process;
- Embedding effective contract management for every contract;
- Delivering non-financial benefits such as sustainability, community benefits and use of supported businesses.

Key Priorities

Our strategy has five key priorities as follows:

- Achieving Value for Money, Compliance and Control;
- Delivering sustainable procurement;
- Raising the level of procurement knowledge, skills and expertise;
- Strengthening Contract and Supplier management processes; and
- Achieving the benefits derived from collaborative working.

These are outlined in greater detail in Appendix A.

Our objectives are being delivered through our Procurement Action Plan. During 2017/18, the Procurement Action Plan was periodically updated eg to reflect the findings of the independent Scottish Government Internal Audit Services' review which was conducted in 2017.

The **Procurement Action Plan** has two phases:

- Phase 1: Ensuring that every aspect of our procurement activity is at least fit for purpose (December 2016 – March 2019);
- Phase 2: In Search of Excellence in Everything – embedding best practice in every aspect of our procurement activity (April 2019 – March 2021).

Phase 1 has the following work strands:

Work strand	When	Achieved?
Governance arrangements reviewed and updated	December 2016 – November 2017	<input checked="" type="checkbox"/>
Culture change	October 2017 - ?	Ongoing
Contract relets – control and compliance	April 2017 – October 2017	<input checked="" type="checkbox"/>
Comprehensive Contract Management in place	April 2018 – September 2018	
Removing Off Contract Expenditure	October 2018 – March 2019	

Phase 2 will use the results of the Spring 2019 Procurement and Commercial Improvement Programme (PCIP) review to springboard COPFS procurement capability forward; in search of excellence in everything.

At the heart of the revised Governance arrangements is the **Procurement Steering Board** (formerly the Procurement Project Board) which includes all of the key stakeholders from across the organisation. The Deputy Chief Executive is the senior sponsor and it is chaired by the Director of Procurement. Under the Steering Board's guidance:

- All procurement policies have been refreshed (July and November 2017), key roles and responsibilities have been defined and training and guidance is being provided;
- The Central Procurement Team (CPT) has now been brought together and comprises:
 - A full time Director of Procurement;

- A Procurement Business Partner (IT) – an experienced IT professional who has previously worked for the Scottish Government procurement team and as a Head of IT in the private sector;
- A Procurement Business Partner (Non IT) – an experienced procurement professional engaged through the Scottish Government procurement shared service;
- A full time Procurement Officer – a permanent member of COPFS staff who is developing a knowledge of both operational needs and procurement;
- These resources are augmented by professional procurement support which is provided by the Central Government Procurement Shared Service team for over £50,000 contracts;
- The CPT will be working closely with the corporate centre and Functions to ensure coordinated working in order to realise the benefits that sound procurement activity can bring.

6. Progress made during 2017/18

Progress made during 2017/18 includes:

The redeployment of staff into an enhanced **Central Procurement Team** and sustained ongoing support clearly demonstrates the **commitment of the Senior Management Team** to achieving better procurement.

We refreshed our governance arrangements eg:

Delegated Authorities

COPFS has implemented a scheme of Delegated Procurement and Purchasing Authority to ensure that all procurement activity is controlled and compliant.

Delegated Procurement Authority

This is the authority to enter COPFS into a contract with a Whole Life Value (WLV) of more than £1,000. This is vested in only 8 individuals – including the Crown Agent himself.

Contracts will only be signed on submission of a Contract Award Recommendation Report with evidence that the COPFS's procurement processes have been followed.

We do not permit staff to enter into a contract unless they have been given Delegated Procurement Authority and Procurement Authority is delegated only once staff have completed formal Scottish Government training. It is given formally in writing by the Crown Agent.

Delegated Purchasing Authority

This is the authority to place an order against an existing COPFS contract. It is limited to staff who are registered users of the Purchase to Pay (P2P) module of the Sun accounting system (who must have received training on its use), holders of a Government Purchasing Card and, in a limited number of circumstances, to senior staff.

Details of who holds these authorities is recorded in the COPFS Finance Manual – Money Matters 14 - Appendix B. This schedule is updated as required and is formally reviewed by the Director of Procurement annually (in February ahead of the next Financial Year).

COPFS has categorised expenditure into four bands:

- For contracts with a Whole Life Value (WLV) of less than £1,000 Service User Leads must obtain and document at least 1 quote;
- For contracts with a WLV of between £1,000 and £10,000 Service User Leads must obtain and document at least 3 quotes. Contracts must be signed by someone with the requisite Delegated Procurement Authority;
- For contracts with a WLV of between £10,000 and £50,000, Service User Leads must work in partnership with the CPT and the default position is that

the Public Contracts Scotland (PCS) portal must be used to advertise opportunities;

- For contracts with a WLV of more than £50,000, the Scottish Government Procurement Team will usually lead the procurement exercise (possible exceptions include call offs from a single supplier framework).

The Central Procurement Team will assist staff at all 4 levels but **CPT involvement is mandatory** for all contracts with a WLV which will exceed £10,000.

Culture change, training and awareness

This strategy sets out how the renewed focus on Procurement will contribute to the achievement of COPFS corporate goals and to deliver significant benefits and savings to the organisation. For this strategy to achieve this improved performance, financial savings and to contribute to the COPFS's corporate social responsibilities, key COPFS staff will have to embrace a change to our existing ways of working, and crucially, develop closer partnership working between the Central Procurement Team and other Business Areas within COPFS.

As part of this process, a series of **Procurement Awareness Workshops** were delivered between October 2017 and January 2018. These were aimed at staff, who whilst not necessarily involved directly in procurement activity, influence expenditure by their decisions, actions and behaviours. Further events will be delivered at the request of operational senior management teams. A **Service User Lead development programme** is currently being delivered to enhance the skills of key staff who are directly involved in the procurement process. Once the initial training events have been delivered the programme will be run twice a year in March ahead of the new Financial Year and September, at the half way point of the Financial Year to allow the development of new Service User Leads and to provide refresher training for existing Service User Leads.

Commitment to, and communication of, this strategy will empower other key stakeholders to help us achieve excellent procurement practice across the service. To be clear, therefore, it is not just an outward facing document.

COPFS is supported by the Central Government Procurement Shared Services team which is responsible for providing a fully managed procurement service under a Memorandum of Understanding arrangement. This service includes both operational and strategic support in all aspects of procurement to ensure that COPFS:

- maximises value and performance from its third party expenditure;
- manages risk; and
- remains compliant with changing legislation and policy.

The service includes a full time senior procurement portfolio specialist embedded within COPFS as their Procurement Business Partner (Non IT) and COPFS also

have access to a pool of Scottish Government procurement specialists to take the lead for approximately 5 end to end procurements valued at over £50,000 (excluding VAT) per annum and other adhoc work. During 2018-19 this will include leading on the Procurement Action Plan, Phase 1, Work strands 3 and 4 (embedding contract management across all contracts and minimising Off Contract Expenditure).

In acknowledgement of the need for succession planning, COPFS is supporting two members of staff to undertake CIPS training. They will also gain practical experience to complement their academic studies by supporting SG colleagues to deliver Work strands 3 and 4 or the CPT to deliver routine procurement work. They will also receive mentoring from SG and/or COPFS procurement colleagues.

The main areas of responsibility for the Central Procurement Team are to tender under £50,000 (excluding VAT) procurements and to contract manage (in partnership with Service User Leads) existing COPFS contracts.

Collaborative national and sectoral frameworks and contracts

Collaborative procurement is about achieving value for money for the Scottish public sector by working in partnership with other buying organisations, Centres of Expertise (CoEs) and suppliers. The frameworks and contracts can be used by public bodies across Scotland and cover a range of commodities.

Details of the savings made through the use of collaborative national and sectorial frameworks will be reported in our Procurement Annual Report January 2016 – March 2018.

7. The year ahead 2018/19 including Spend/Finance

During 2018/19 the CPT, aided by the Scottish Government procurement team will focus on:

- a. Embedding use of the COPFS contract management framework across all COPFS contracts.
- b. Analysing and minimising Off Contract Expenditure.

COPFS believes that these three developments will help to deliver the required level of savings.

Contracting activity (Spend/Finance)

This activity accounts for a significant part of COPFS's expenditure (approximately £33.5m from a total cash budget of IRO £112 million (running costs and capital)). Good procurement can generate savings and efficiencies, which can be used to sustain staff numbers and/or re-invest in other activities to support corporate objectives. This is especially important in, what is, a challenging financial climate. The aim is for COPFS to deliver transparent and effective procurement which delivers best value, and which is not only legally compliant but which also follows best practice.

The first steps in any procurement exercise include ensuring that there is sufficient budget available for the life of the contract and the preparation of a proportionate business case, which must be independently approved. For larger value contracts (including all regulated procurements) there will be a clearly defined approval route (for instance by the Business Improvement Committee, Resources Committee). Part of the scrutiny by these routes is to ensure that the expenditure contributes to the carrying out of COPFS's functions and the achievement of our purposes.

All procurement and contract management activity must be consistent with the COPFS Financial Strategy.

Our contracting activity covers three main areas of expenditure:

National collaborative frameworks and contracts:

We award contracts via Scottish Government (SG)/Crown Commercial Service (CCS) framework agreements and contracts for those commonly purchased commodities which are used across the public sector. The CCS frameworks are open to all public sector organisations in the UK and the SG frameworks are open to all public sector organisations in Scotland.

Collaborative frameworks with other public sector bodies e.g. contracts with the Scottish Courts and Tribunal Services (SCTS):

For example Hard and Soft Facilities Management Services.

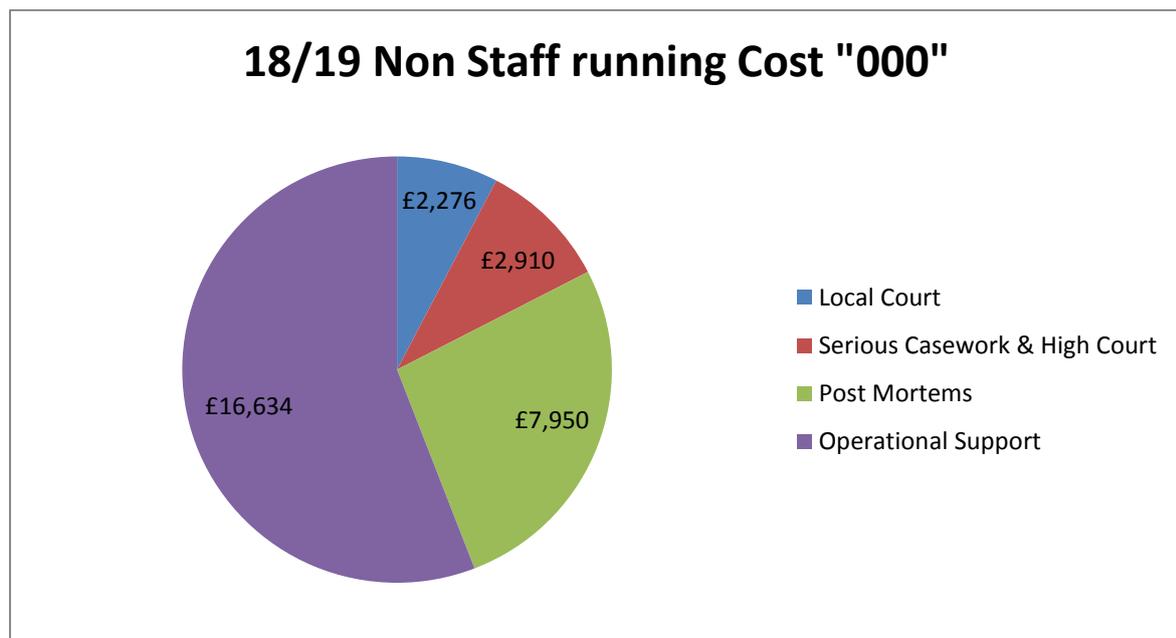
Contracts let on behalf of, and for the sole use of, the COPFS:

For example Secure Mail Services, LAN (Local Area Network) Services, Financial Management System Services.

Expenditure

2018/19

Our Non-staff Running Costs budget for 2018-19 is just under **£30 million**. The chart below shows the budget allocations for the key parts of the COPFS:



Our capital budget is **£3.6 million**. This will largely be spent on either our estate or our Information Technology infrastructure and systems, with a small amount having been allocated to maintain our small fleet of vehicles.

Forward plan of our collaborative contracts

Once a business case has been approved and budgetary cover has been confirmed, the first step in the procurement process is to obtain a unique COPFS contract reference number from the Central Procurement Team. At this stage the contract is added to the Contract Register. The contract register therefore identifies both relets of existing contracts and new contracts. We publish this 4 times per annum on our website. A copy is also attached below for ease of reference:



COPFS Contracts
Register

Savings

It is not possible to predict the level of savings that might be achievable through reletting contracts and contract management as this will depend on a number of factors, some within our control eg demand management and some outwith our control eg prevailing market conditions at the time that the contract is let. However, we will be working with Budget Centres within COPFS to try to establish target savings for each contract as part of the annual business planning round and we will be reporting savings achieved in each year's Procurement Annual Report.

2019/20 and 2020/21

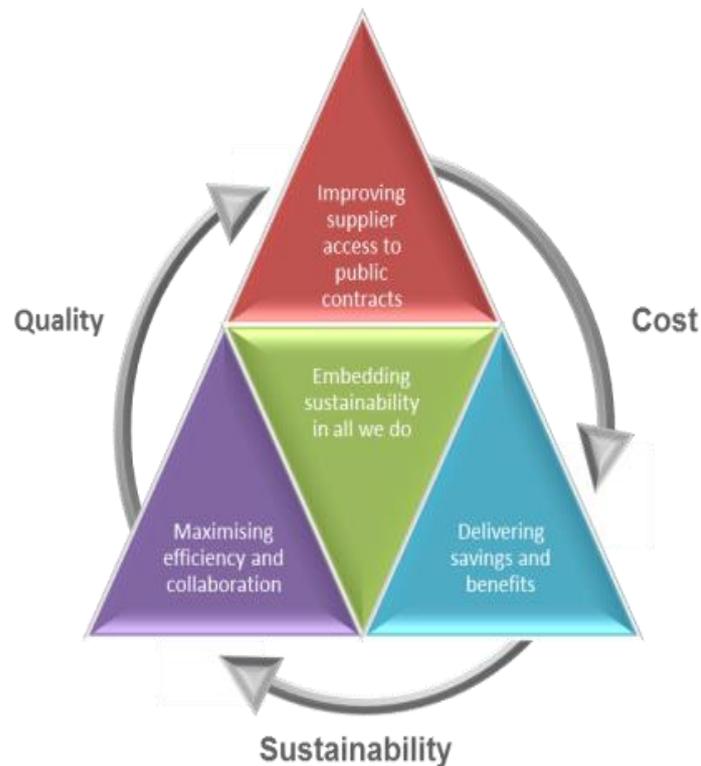
Budgets are currently set by the Scottish Parliament for a single financial year. The exact timing of publication of the budget varies and COPFS expects to receive confirmation of its Parliamentary approved budget for 2019/20 in January 2019. This strategy will be updated before the start of the 2019/20 and 2020/21 Financial Years.

8. Implementation, Monitoring, Reviewing and Reporting

Our approach to how we buy goods and services incorporates our priorities and the Scottish Model of Procurement. We have developed our approach together with the Central Government Procurement Shared Service partner.

The principal of COPFS procurement is to align with the directives and procedures set out in the Scottish Government publications:

<http://www.gov.scot/Publications/2006/05/spdpolicymanual>



Detailed procurement procedures that are set out in the COPFS Procurement Manual which must be followed by COPFS employees empowered with the relevant delegated procurement and purchasing authority when engaged in procurement activities on behalf of COPFS.

Benefits

In meeting the above objectives, this Strategy will deliver and measure the following benefits:

- Value for money;
- Improved contract management - holding suppliers to account;
- More effective partnerships with suppliers;
- More efficient procurement procedures;

- Compliance with all necessary procurement regulations;
- Collaboration to be developed with other service providers;
- Effective risk management for all levels of procurement;
- Effective management of procurement activities, including control over who commits COPFS to contracts and expenditure;
- Integration with COPFS's overall aims and priorities;
- Better planning for future procurement activities; and
- Sustainability embedded in all we do.

The COPFS Procurement Steering Board (PSB) is responsible for ensuring that COPFS's procurement capability/performance improves.

The PSB will do this by managing all necessary inputs so as to ensure that the Procurement Action Plan (PAP) and this Strategy are delivered effectively.

Our contracting delivers a wide range of social and economic benefits as well as significant financial savings for the public sector. The COPFS Corporate Procurement Strategy is closely aligned to the COPFS Financial Strategy.

During 2017/18 the CPT has focussed on refreshing and expanding the governance arrangements, processes and guidance, establishing a robust contract register and wave plan and changing the culture of the organisation. Never the less some progress has made in achieving savings. The savings achieved during 2017/18 will be reported in the COPFS Procurement Annual Report.

In the financial year 2018/19 our non-staff expenditure budget is just under £30 million (excluding Capital spend), which is just under 26% of COPFS' overall budget. We also have a capital budget of £3.6 million.

Our wave plan will enable stakeholders involved in the re-letting of contracts to build sufficient time into the end to end procurement process to maximise savings from contract relets.

Monitoring, reviewing and reporting on our Corporate Procurement Strategy: Our Annual Procurement Report

The Procurement Reform (Scotland) Act 2014 requires us to prepare an annual procurement report on our regulated procurement activities. Our first report will cover the period 1 January 2017 to 31 March 2018 and subsequent reports will be produced annually.

Our report will include, as a minimum:

- information on regulated procurements that have been completed during that year;
- a summary of the savings achieved through this activity;
- a review of whether those procurements complied with our Corporate Procurement Strategy;
- to the extent that any regulated procurements did not comply, a statement of how we intend to ensure that future regulated procurements do comply;
- a summary of community benefit requirements imposed as part of a regulated procurement that were fulfilled during the financial year covered by the report;
- a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year;
- a summary of regulated procurements we expect to commence in the next two financial years.

We will publish our report online and make sure it is accessible in a variety of formats.

9. Summary

This is an exciting time for procurement in COPFS. 2017/18 has seen a root and branch review of governance, guidance and policies and procedures. The intention during 2018/19 is to use these developments as a springboard to make significant advances in the way that we let/relet each new contract, the way that we manage contracts post award and to ensure that all relevant expenditure is under contract.

Key Priorities

Our strategy has five key priorities as follows:

- Achieving Value for Money, Compliance and Control;
- Delivering sustainable procurement;
- Raising the level of procurement knowledge, skills and expertise;
- Strengthening Contract and Supplier management processes; and
- Achieving the benefits derived from collaborative working.

Priority 1 – Achieving Value for Money, Compliance and Control

How our procurement activity contributes to Value for Money, compliance and control

We aim to secure value for money by working closely with users of the goods, works and services that we procure to understand and help them articulate, and manage the delivery of, their requirements.

How we will achieve this objective:

- We will cease buying non-essential goods and services;
- Where there is an ongoing need and it has been demonstrated that the benefits outweigh the costs, the CPT will work with the Service User Lead to ensure that the specification is fit for purpose but no more;
- Developing and deploying standard tools throughout the organisation to ensure that any procurement exercise is evaluated on VfM principles (as outlined above) and a full audit trail is evidenced;
- Utilising feedback mechanisms to ensure customer satisfaction with every procurement exercise that the Central Procurement Team supports;
- Delivering training to ensure that staff only engage in a procurement exercise when it is actually required;
- Participating in the Procurement and Commercial Improvement Programme (PCIP) implemented by the Scottish Government;
- Ensuring that contracts are robust and managed proportionately; and
- Ensuring adequate planning for future procurement activities.

How we will measure our success:

- Reduced contract prices without reduction in service effectiveness or by obtaining more for the same expenditure;
- Maximisation of both cash and non-cash benefits from existing contracts;
- Identification of new benefits, including social and community benefits for any re-let or new contract opportunity;
- Improved PCIP scores;
- Reductions in time and other resources spent on each procurement activity through more efficient procurement procedures;
- Strategic investment plans developed eg for IT and Estates.

We recognise that value for money is rarely achieved by simply accepting the lowest-priced bid, which is why procurement legislation in Scotland has now removed the possibility of Official Journal of the European Union (OJEU) level public contracts being awarded solely on the basis of price.

We are committed to making public procurement transparent and accessible to businesses, especially SMEs, the third sector and supported businesses. We use the free to access portal; Public Contracts Scotland (PCS), on which contract notices for regulated procurements are published. Our contract opportunities are advertised on PCS and in the Official Journal of the European Union (OJEU) where required. We also publish our contract register and wave plan on the COPFS website.

We will also drive continuous improvement through the Procurement Action Plan which incorporates the recommendations made following the 2016 Procurement and Commercial Improvement Programme (PCIP) and the 2017 Internal Audit Services review to maximise value for money and continue to improve our procurement capability.

Priority 2 – Delivering sustainable procurement (ensuring compliance with our general and sustainable procurement duties)

We aim to comply in full with our legal obligations and to treat all suppliers fairly, equally and without discrimination.

Sustainable public procurement aims to make the best use of public money, helping the government to achieve its overarching purpose and strategic objectives. The sustainable procurement duty requires that before we buy anything, we must think about how we can, through our procurements, improve the social, environmental and economic wellbeing in Scotland, with a particular focus on reducing inequality. It also requires us to think about, and then design, our procurement processes in such a manner as to encourage the involvement of SMEs, third sector bodies and supported business and also how we can use public procurement to promote innovation.

Compliance with the sustainable procurement duty should aid compliance with other legislation that places specific requirements on us with respect to our procurement activities, such as:

- the Equality Act 2010;
- the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012;
- the Climate Change (Scotland) Act 2009; and
- the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

Using a sustainable procurement suite of tools, developed by the Scottish Government, we will consider sustainability early in a procurement process, to enable us to identify risks and opportunities before commissioning suppliers, to understand the scope for sustainability outcomes and to make sure that our ability to influence sustainable outcomes is optimised. This then enables us to develop individual commodity strategies for our contracts, within which we can embed sustainability (for example, energy efficient product specifications or access to green electricity) and maximising opportunities for SMEs, the third sector and supported businesses to participate in the procurement process.

How we will achieve this objective:

We will:

- Provide targeted training for all staff involved in procurement activities on these issues;
- Utilise tools, templates, information and guidance on the inclusion of these issues into procurement exercises;
- Conduct regular reviews of procedures against Scottish Government guidance and practise to ensure current guidelines are implemented.

How we will measure our success:

- Increased delivery of community benefits from contracts; and
- Increased delivery of sustainable, environmental and social benefits.

Priority 3 – Raising the level of procurement knowledge, skills and expertise

During 2017/18 we have:

- Designed a procurement session for the COPFS **Induction Course** which is offered to all new entrants;
- Delivered a series of **Procurement Awareness Workshops** which were aimed at staff who are not necessarily involved in the procurement process but whose behaviours and actions cause costs to be incurred;
- Augmented this by producing a “**Take five**”, 5 minute presentation for use by local managers;
- Designed and delivered a **Service User Lead Development Programme** (final sessions of the initial run to be held in April 2018). This comprises 4 modules:
 - Overview/Introduction to the role of SUL;
 - How to articulate the business need (specification writing);
 - How to ensure that tenders meet those service needs (tender evaluation);
 - How to ensure that suppliers deliver what is specified in the contract (contract and supplier management); and
 - Developed a suite of template documents for use in procurement exercises.

During 2018/19 we will:

- Deliver training to requisitioners eg as part of the P2P training and GPC user training;
- Provide procurement training to staff who have responsibility for any aspect of our procurement activities;
- Continue to offer Procurement Awareness Workshops tailored to the needs of specific parts of the organisation;
- Deliver a further two Service User Lead Development programmes;

- Provide further practical training to further develop SULs who have attended the SUL development programme events; and
- Continually promote the benefits of good procurement practice.

Further detailed procurement training will be provided to staff depending on the post and procurement responsibility. On-going training needs will be recorded in individual training and development plans as part of the annual staff appraisal process. COPFS holds a central register of all procurement training undertaken by staff.

How we will achieve this objective:

- We will provide targeted training for all staff involved in procurement activities;
- We will continue to refine the tools, templates, information and guidance for staff involved in procurement;
- We will periodically review and update our procurement policy document and publish it on the COPFS website to support staff.

How we will measure our success:

- All requests for procurements with a contract value of more than £10,000 will be routed via the Central Procurement Team (this is a mandatory requirement);
- Measuring the level of Off Contract Expenditure to ensure this reduces annually; and
- Ensuring the establishment of closer working relationships between the Central Procurement Team and other Business areas within COPFS.

Priority 4 – Strengthening Contract and Supplier management processes

We fully understand the importance of effective contract and supplier management in the delivery of goods, services and works, to ensure savings and quality are delivered under the terms of the contracts.

How we will achieve this objective:

- The resources previously provided by the Scottish Government as part of the over £50,000 element of the shared service will be tasked with leading a time limited project to embed the COPFS contract management framework across all COPFS contracts. As a result of this work, COPFS SULs supported by CPT members, will then meet suppliers according to a predetermined schedule which will be based on the value and complexity of the contract, how business critical it is and past service delivery;
- Contract Management training is being provided as part of the Service User Lead development programme;
- The Central Procurement Team will provide on-going advice and support;
- Contract Management is included in the Contract Award Recommendation Report and the Contract Handover Documents;
- Targeted contract management training and guidance will be provided as required; and
- All contracts will include clear contract management requirements including Key Performance Indicators in all contracts.

How we will measure our success:

- Savings/performance information captured by COPFS;
- Records will be maintained of meetings with suppliers;
- Reduction in supplier disputes; and
- Reduction in invoice queries as correct prices are charged by suppliers in accordance with the terms of Contracts.

Priority 5 – Achieving the benefits derived from collaborative working

The aim is to embed the practise of collaborative procurement whenever and wherever appropriate throughout the organisation.

How we will achieve this objective:

- COPFS will engage with CGPSS to ensure information about collaborative opportunities is shared and acted upon appropriately;
- COPFS will share its Wave Plan with other bodies;
- COPFS will engage with “Cluster Group”* members regularly; and
- COPFS will review, when appropriate, any shared service agreements.

How we will measure our success:

- Monitoring use of centrally procured frameworks;
- Monitoring the level of expenditure through shared service arrangements; and
- Increased participation in Scottish Government user groups and intelligence gathering forums for procurement.

** Cluster Groups are arranged by Scottish Government Procurement to align similar public bodies in order to facilitate dialogue, learning and opportunities in procurement.*

Policies, Tools and Procedures

In this section, we set out our general policies on a number of key areas together with a statement on how we will monitor compliance with these over the period of this Strategy.

Our policy on applying community benefit requirements in our contracts

Background/Context

The delivery of community benefits through procurement is aligned to Scotland's Economic Strategy:

'Greater participation (in the labour market) increases an economy's potential output and is essential to supporting sustainable economic growth. Bringing more people into the labour market is key to tackling poverty, inequality and social deprivation and improving health and wellbeing.'

And is also aligned to 'A plan for Scotland: The Scottish Government's Programme for Scotland 2016-17':

'The Scotland we want to see has a resilient and growing economy, an education system that enables true equality of opportunity for all, public services that are efficient, fair, flexible and valued, and a vibrant, open and inclusive cultural life.'

It also contributes to our overarching purpose.

Seeking to deliver the maximum social and economic benefit from our spending decisions is consistent with our general and sustainable procurement duties and the Scottish Model of Procurement.

Our policy

Where there is an opportunity to deliver community benefits, appropriate requirements will be included in public contracts and framework agreements. The opportunity to include community benefits will be considered at the commodity strategy development phase of all regulated procurements (currently £50,000 and above for goods and services, £2 million and above for works).

Where appropriate, community benefits will be addressed in one of two ways:

Mandatory/contractual – under this approach all bidders will be asked to deliver specific requirements (e.g. targeted training and recruitment; opportunities in the supply chain) which will form part of the contract specification. As the requirement is the same for all bidders, proposals will form part of the tender evaluation and may be scored.

This approach will be applied where the contract is high value, medium to long duration and where it is clear that specifying a community benefit outcome as a deliverable under the contract has the potential to enhance the social/economic impact of the contract.

Voluntary – bidders will be asked to consider what community benefits they can offer as part of their proposals, but that element of the bid will not be scored or form any part of the tender evaluation. Where a bid has been accepted, however, any associated offer of the provision of community benefits will be included in the contract to be signed by the bidder.

This method will be adopted where it is possible that the approach will secure additional value from the contract, but where it is not considered appropriate to make the provision of specific community benefits a mandatory requirement for all bidders. We will take care to ensure that where voluntary community benefits are applied, that they do not place an undue burden on bidders.

Monitoring

Where a regulated contract includes a commitment in relation to community benefits, the contract award notice will record what the contractor is required to deliver. Oversight of delivery will be embedded in the formal contract management arrangements and a record will be kept regarding delivery of the benefits.

For contracts at or above £4 million, in accordance with our obligations under the Procurement Reform (Scotland) Act 2014, and for all contracts where the community benefit requirement is mandatory, details of the required community benefit will be set out in the contract notice. Where it is not considered appropriate to include a community benefit clause, the contract notice will include the reasons why this conclusion has been reached.

We will collate information regarding delivered benefits and this will be reported on in the formal COPFS report of performance against this Strategy.

Further information

Further information on community benefits is available online.

Our policy on consulting and engaging with those affected by our procurements

Background/context

We consult and engage with stakeholders in a range of ways. Suppliers and the wider public sector are central to our procurement governance structure, with suppliers being represented on the Scottish Government Procurement Supply Group and the wider public sector, including COPFS, being represented on the Public Procurement Group. We participate in annual workshops held by the Scottish Government, bringing together a range of representatives from all of our stakeholder groups.

Our existing policy and legal frameworks have been developed by Scottish Government through extensive engagement with stakeholders including the wider public sector, the private and third sectors, trade unions, non-governmental organisations and individuals.

Where appropriate, we engage with the market to inform design of procurements and the procurement route. This may vary from light-touch market research, to supplier engagement days or to piloting and co-design of services. Individual procurements are in response to an identified need and the relevant stakeholders are identified and engaged as appropriate. The engagement with end users will be tailored to the particular circumstances of the procurement.

Our policy

As appropriate, we will consult end-users and/or potential suppliers regarding individual procurement specifications and strategies. Our governance structures for procurement will also continue to involve comprehensive stakeholder representation at all stages of the procurement process.

Monitoring

We will record any complaints regarding failure to consult and our performance reporting will address these, and will include information regarding any conclusions reached and any remedial measures taken.

Our policy on the payment of the living wage to persons involved in performing our contracts

Background/context

We strongly believe that fair work practices and the payment of the Living Wage can have a positive impact on people's lives and can help to create a fairer and more equal society.

The COPFS is committed to promoting the Living Wage and shall take every opportunity to include the Living Wage through procurement. In early February 2015, the Scottish Government published a Scottish Procurement Policy Note on how and when employment practices and workforce matters, including payment of the living wage, could and should be considered in the course of a public procurement exercise. This was followed by the publication of statutory guidance which addressed fair work practices, including the Living Wage, in procurement in October 2015.

Our Policy

Our general policy on payment of the Living Wage to those involved in performing our public contracts is influenced by our belief that those organisations which adopt fair work practices, including the Living Wage, e.g. those which have a diverse workforce and whose staff are well-rewarded, well-motivated, well-led and who have appropriate opportunities for training and skills development, are likely to deliver a higher quality of service. Fair work practices can have a positive impact on the quality of the services, goods and works delivered on our contracts. Payment of the Living Wage is a significant indicator of an employer's commitment to fair work practices.

In implementing this policy we have regard to the statutory guidance on how and when fair work practices, including the Living Wage, can be part of a procurement process and support improved productivity and economic growth as a key driver of service quality and contract delivery.

In practice, consideration is given to this policy at the earliest possible stage in all our public procurement processes. This approach ensures that, where it is relevant to the performance of the contract, a business's approach to fair employment including the Living Wage can be an integral part of the procurement process.

Our approach to date has been to target this policy through award criteria which are proportionate and weighted to a degree which is relevant to the contract, taking into account a range of factors.

Monitoring

Where a commitment has been secured in a tender to pay the living wage this will be recorded in the contract award notice and will be captured as a contractual obligation and monitored through our contract and supplier management processes.

Information on payment of the living wage by contractors will be collated centrally and will be included in our annual report of performance against this strategy. Many of our contracts are for IT related goods and services where the market determines

that wage rates are significantly above the living wage however, where this is not the case we endeavour to ensure that the living wage is paid. As an example of this commitment, during 2017/18 we awarded a contract for manned guarding and we built payment of the Scottish Living Wage into the contract, resulting in a rise for the staff who transferred to the new service provider under TUPE legislation.

Our policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work Act 1974 and any provision made under that Act

Background/context

We regard it as important that those bidding for our contracts are able to demonstrate that they are responsible contractors who comply with their legal obligations, including obligations regarding health and safety.

Our policy

It is a standard condition of our contracts that the contractor must comply with all applicable law, any applicable requirements of regulatory bodies and good industry practice. This includes any applicable health and safety law. Furthermore, whenever contractor personnel are on our premises, they are obliged under the terms of our standard contracts, to comply with our own health and safety requirements.

Current EU procurement legislation does not explicitly address health and safety as part of the selection criteria which purchasers can use when determining which suppliers to invite to bid. In recognition of the importance of health and safety the Scottish Government ensured, when drafting guidance to accompany the European Single Procurement Document that we provided public purchasers with clear advice on how to take account of, and score, a supplier's health and safety record in a manner compatible with the new legislation.

Monitoring

Our standard contract management arrangements will be revised to ensure that we capture information regarding health and safety incidents relating to the delivery of our contracts and any remedial measures taken. That information will be collated centrally and will inform the annual report of performance against this strategy.

Our policy on the procurement of fairly and ethically traded goods and services

Background/context

Our standard procurement procedures for regulated contracts involve an assessment of a bidder's suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences and/or has committed any acts of professional misconduct in the course of its business. Detailed information is available in Scotland's "European Single Procurement Document", which is available on the [procurement journey](#).

Our policy

Where fairly traded goods and services are available to meet our requirements we will consider how best to promote them.

Our qualification and selection procedures for regulated procurement will include an assessment of the suitability of bidders to be awarded the contract.

Our standard terms and conditions will contain a provision which enables us to terminate a contract if the contractor or sub-contractor fails to comply with legal obligations in the fields of environmental, social or employment law when performing that contract.

Monitoring

We will maintain a central record of the value of fairly traded products bought or sold under our contracts. Our annual report against this strategy will include a statement regarding the effectiveness of our qualification and selection procedures.

Our policy on using contracts involving food to improve the health, wellbeing and education of communities in Scotland and promote the highest standards of animal welfare.

Background/context

We recognise the potential of public procurement of food and drink to further contribute to our economy and to help improve the nation's health and wellbeing. Our policies reflect this ambition. We currently do not procure food directly, however, if this position changes we will ensure that our contract terms include provision for this policy.

Our policy

Our approach is to ensure that appropriate service contracts comply in full with all relevant Government policies on healthy eating and nutrition, on the promotion of fresh and seasonal and local produce and on fairly traded produce. Any appropriate contract will also comply with the [UK Government's buying standards for food](#).

These take account of a range of factors including production, traceability, authenticity, origin, ethical trading, animal welfare, environmental standards, health and waste, and as such are consistent with the [Catering for Change: Buying food sustainably in the public sector](#) issued in January 2011.

We also regard catering as a service where fair employment practice is relevant to the quality of service provided and, when competing for such catering services, we shall ensure bidders' commitment to fair employment will be evaluated as part of the process.

Monitoring

Compliance with our policy requirements will be an integral part of the contract management arrangements for any catering contracts we enter into.

Our policy on payment of invoices within 30 days to and by contractors and sub-contractors

Background/context

We are committed to promoting prompt payment both to, and by, our contractors and their sub-contractors. Our standard terms and conditions provide for payment in 30 days of receipt of a valid invoice. Our performance against this target for the period 1st April 2017 to 31st March 2018 was 98.04%. Moreover, we have an aspirational target of making payment within 10 working days (95.83% achieved 2017/18) and we are working to introduce an electronic invoicing payment system which will assist us further to achieve this aspiration.

Our policy

It is a standard condition of our contracts that we will pay valid invoices within 30 days. It is also a standard condition that any sub-contract must contain a clause which requires payment of invoices to sub-contractors within 30 days; and that this clause should be replicated down through the supply chain. The condition must also make clear that if a sub-contractor believes that invoices are not being paid within the 30 day period the sub-contractor may raise the issue directly with the COPFS and is not required to first raise the issue up through the various tiers of the supply chain.

Monitoring

Through our contract management arrangements we will monitor complaints so that we can gauge the level of compliance and take action as appropriate. COPFS's payment performance is published in each year's annual accounts.

Our Procedures

All procurements follow a COPFS procurement journey. This is adapted from the SG procurement journey and is proportionate to the value and business criticality of the contract. Each step of the journey is supported by proformas that should be used to ensure consistent use of best practice.

Glossary

Term	Definition
CGPSS	Central Government Procurement Shared Service
Cluster group	Cluster Groups are arranged by Scottish Government Procurement to align similar public bodies in order to facilitate dialogue, learning and opportunities in procurement.
CPT	Central Procurement Team (within COPFS)
Delegated Procurement Authority	This is the authority to enter COPFS into a contract with a Whole Life Value (WLV) of more than £1,000.
Delegated Purchasing Authority	This is the authority to place an order against an existing contract to which COPFS is a party.
NCA	Non-Competitive Action
OJEU	The Official Journal of the European Union. Contracts with a whole life value of more than £118,000 have to be advertised in this journal
Procurement Shared Service	A procurement function that is used by more than one organisation. COPFS utilises two shared services from the Scottish Government one for contracts with a whole life value of under £50,000 services and one for over £50,000 contracts
PCIP	Procurement and Commercial Improvement Programme
PCS	Procurement Contracts Scotland
SGPT	Scottish Government Procurement Team
SUL	Service User Lead
WLV	Whole Life Value – the full and total cost of the contract over its entire life to include any mobilisation and exit costs