

SDS Corporate Procurement Strategy 2016 - 2020

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1. Foreword & Procurement Vision

The Skills Development Scotland Co. Ltd (registered number SC202659) is a contracting authority. A contracting authority which is required to prepare and publish the SDS Procurement Strategy for Scottish Ministers (SPPN 11/2016). Three annual procurement reports on regulated procurement activities for Financial Years : 2013/14, 2014/15 and 2015/16 have already been published. Illustrating our recognition of the need for transparency and annual reporting plus highlighting successes achieved through the “Procurement People of Tomorrow” programme and the other collaborative successes SDS have contributed to.

In 2015 – 16 SDS have already become an accredited investor in young people and living wage employer.

SDS Procurement requires to strive to contribute to the realisation of : economic, environmental and community benefits through undertaking a sustainable based procurement approach. For example, our expenditure with third-sector / not for profit organisations has increased 60 fold over a 4 year period (2011 to 2015).

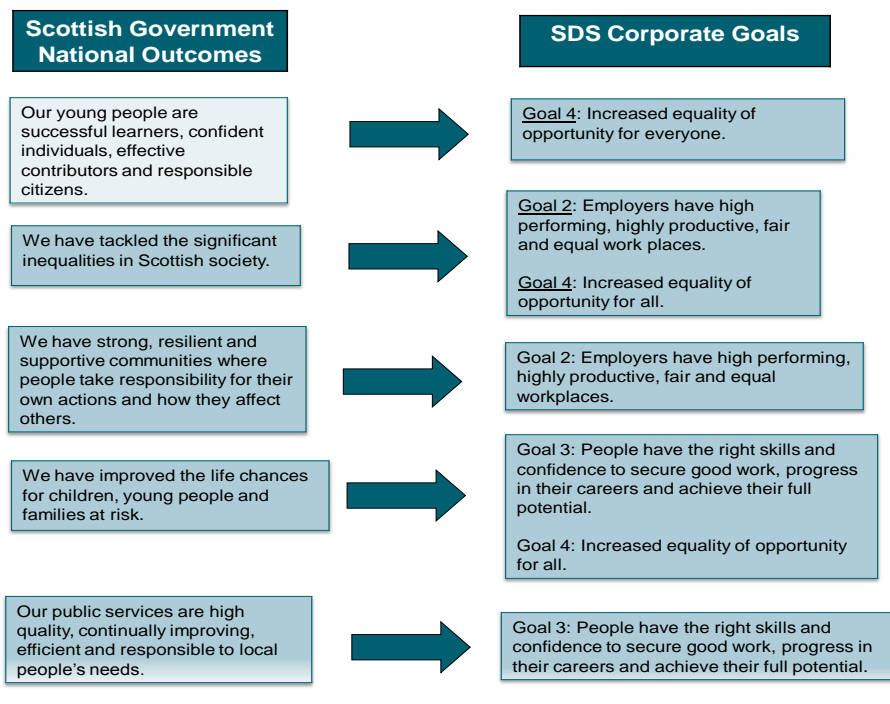
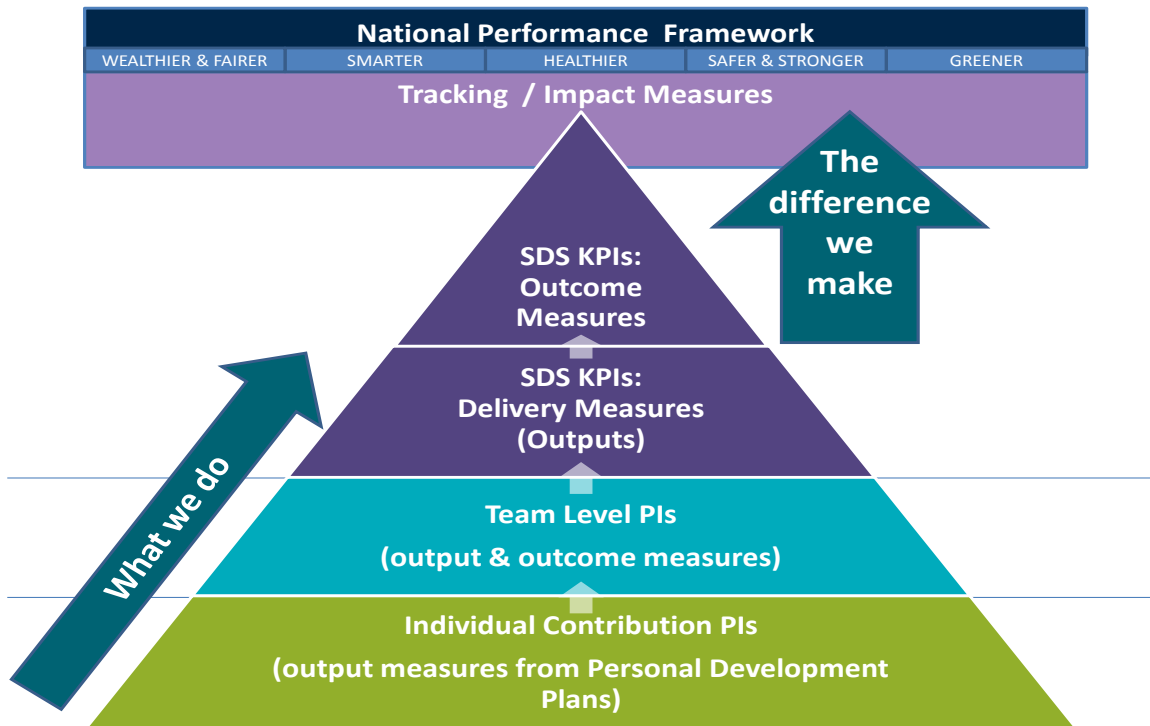
The SDS 2020 Procurement Vision is to : *“Use our combined strengths as a High Performing Procurement Team to be recognised for excellence, innovation, customer-focus and as an enabler for mutually beneficial supplier relationships which contribute to a competitive, inclusive and resilient economy”.*

The SDS 2020 Mission Statement : *“To deliver value add procurement that supports community, economy, inclusion and environment”.*

The SDS Procurement Strategy 2016 – 2020 is aligned to the SDS 2015 – 2020 Corporate Plan Making Skills Work for Scotland. We continue to be pro-active in relation to the evolving legislative landscape through the Procurement Reform Regime.

2. The Golden Thread

The Golden Thread approach is applied at SDS. The SDS Corporate Plan 2015 - 20 is aligned and cascaded to the SDS Procurement Strategy 2016 – 20. The SDS Procurement Strategy will be delivered through Procurement Workplans (See Annex A).



3. Summary of Projected Contracting Activity 2016 - 18

SDS has a Procurement Policy which details our competition thresholds. There has been an extremely positive trend in the number of procurements conducted by the Central Procurement Team. The Central Procurement Team conduct procurements above £5,000 in adherence to the SDS Procurement Policy.

Details of the projected contracting activity Financial Year 2016/17 and 2017/18 are attached as Annex B. This may be subject to change due to budgetary readjustments.

4. Responsible & Sustainable Procurement

The Procurement & Legal team have published the SDS Responsible and Sustainable Procurement Policy (RASPP):

<https://www.skillsdevelopmentscotland.co.uk/about/policies/procurement/>

and Strategy:

<https://www.skillsdevelopmentscotland.co.uk/about/policies/procurement/>

which determines how we buy products and services in a socially responsible manner.

The aim of the policy is to make sure that we are buying goods and services in a way that achieves value for money while also benefitting communities, the economy and minimising our impact on the environment.

We will take forward Supplier Inclusion in the timeframe from 2016 to 2018. There will be the inclusion of Third Sector businesses (non-governmental and non-profit-making organisations or association, including: charities, voluntary and community groups, cooperatives), Supported Businesses etc. SDS supports the “Developing Market Sector for the Third Sector Provider’s Programme”. Community Benefits in this context are contractual requirements which deliver a wider social benefit. There are various categories of Community Benefits Clauses:

- Targeted Recruitment and Training
- Environmental
- Community Engagement

www.readyforbusiness.org

Continue to support and approve access to Procurement opportunities for SMEs, Third Sector and Supported Businesses.

<https://www.sdpscotland.co.uk>

SDS will develop over the 2016 – 2020 period articulate Community Benefits Clauses with specific attention to training and employability this will be harmonised with Fair Work Practices. SDS developed and put in place the Certificate for Work Readiness. The employability pipeline requires to be considered in our approach to “training and employability” clauses.

Suppliers are sign-posted to the SDS Our Skills Force website from the Scottish Government sustainable procurement web page.

SDS attend the Community Benefits and Procurement Champions meetings to gain more knowledge and information on best practice sustainable procurement activity.

5.Contract Management & Supplier Relationship Management

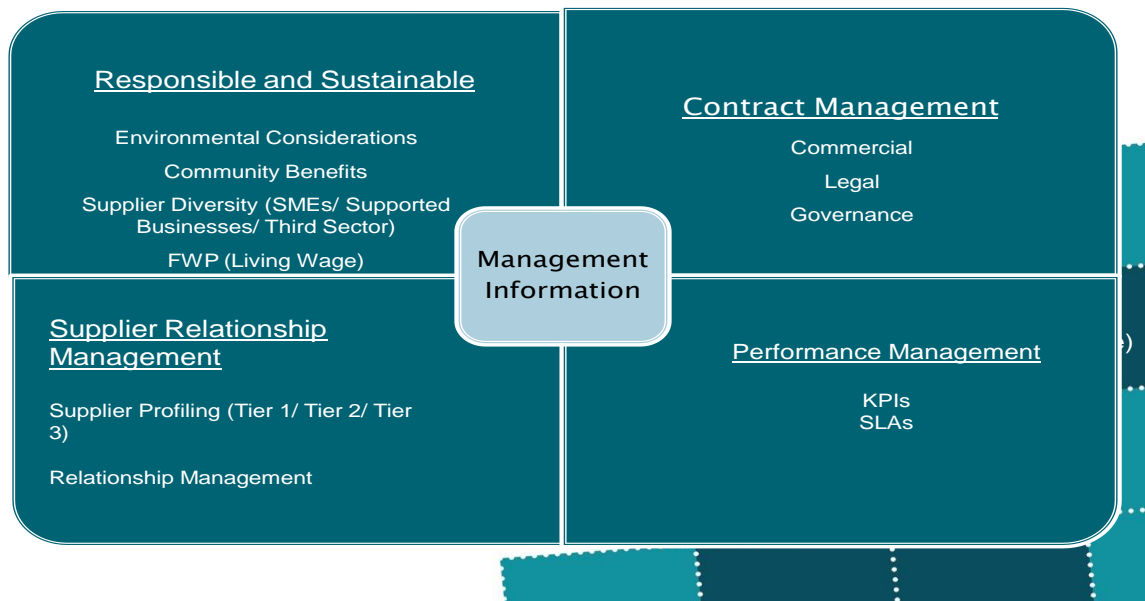
Contract management can be summarised as the process of systematically and efficiently managing contract development, contract entry, execution and commercial contract management for the purpose of maximising, financial and operational performance whilst minimising risk.

“The planning, monitoring and control of all aspects of the contract and the motivation of all those involved in it to achieve the contract objectives on time and to specified costs, quality and performance.” Source : International Association for Contract and Commercial Management.

Contract Management and Supplier Relationship Management will be developed and taken forward at SDS over the 4 year period : 2016 – 2020. A Transformation Map has been agreed to address key areas in a strategic manner.

The four quadrants below are key components of the SDS approach to Contract Management & Supplier Relationship Management. SDS have a “Contract Management & Supplier Relationship Management Policy” which has been in place since February 2015 for central contracts. SDS are an active member of the Contract Management Benchmarking forum.

Balanced Scorecards



6. Our Procurement People

SDS has a seamless / joined up approach to New Entrants into Procurement. There are three routes :

1. Existing members of staff who move across to Procurement to change career
2. School Entrants
3. Graduate Entrants

The various pathways available through the blended approach are detailed in our case study “New Entrants to Procurement”.

<https://www.skillsdevelopmentscotland.co.uk/about/policies/procurement/>

IBM Global Services have commended SDS’s approach.

SDS launched the Modern Apprenticeship in Procurement and Supply Chain on 18 June 2014.

SDS as an organisation have been innovative and at the forefront of best practice procurement. During Financial Year 2013 / 14 we have worked with partners to deliver a ground breaking initiative which will not only build on the excellent work we do to support young people but will contribute to the Scottish Government’s youth employment agenda.

The Procurement People of Tomorrow initiative is a joint venture between SDS and the Scottish Government and aims to:

- Nurture existing talent within the procurement community to help create our leaders of tomorrow; *and*
- Inspire and enable young people from all backgrounds to choose a career in procurement

The important benefits of the Modern Apprenticeship in Procurement and Supply Chain (SVQ 3) are:

- It allows educational progression, from a Level 3 Scottish Vocational Qualification to a degree equivalent qualification in Procurement and Supply
- A pathway to progress through the Chartered Institute of Purchasing and Supply – from Level 2 onwards; an internationally recognised qualification
- A wide variety of jobs are available, upon qualification, such as: Buyer, Procurement Manager, e-procurement specialist, commodity category manager
- 30 plus MAs across the various sectors (Public and Private) have completed the SVQ3 in Procurement and Supply Chain with a further 50 in progress.

SDS has adopted the Scottish Government Procurement Competency Framework. Skills gaps are identified and courses identified which meet Continuous Professional Development in a structured manner. We have adopted the four key pillars of the Chartered Institute of Purchasing and Supply Global Occupational Standards : Process, Infrastructure, Performance and People

A significant increase in the number of professionally qualified procurement practitioners has taken place in recent years. We aspire to have 100% professionally qualified members or studying towards the Chartered Institute of Purchasing in Supply Diploma by 2020.

7. Policies, Tools & Procedures

SDS has a range of Policies and Procedures. Procurement contribute to the SDS Publication scheme to ensure transparency and openness.

SDS also have a Code of Conduct and a Risk Information Management System.

SDS adhere to the Scottish Model of Procurement and the Scottish Government Procurement Journey.

SDS completed the Full Procurement Commercial Improvement Programme, February 2016. We have in place the Procurement Continuous Improvement Action Plan. We will continue to support the PCIP Programme. We have recently completed the SDS Business Excellence self assessment and the Audit Scotland Procurement Best Value tool-kit.

SDS has invested significant time and effort in developing real time spend analytics. Several Intern Graduates have assisted in the development of our spend management information. This spend management information is secured from Agresso Business World for central contracts expenditure. A Procurement Dashboard is published internally every 3 months which reports upon key procurement performance measures : number of contracts placed, contractual coverage, compliant expenditure and value for money savings. A desktop guide has been shared with other Scottish Executive Agencies and ndpbs. Further development work on commodity categorisation will be carried out over the 2016 – 2020 period to further industrialise our reporting.

(2.5.1.2.) On Time Payment SDS will review and take forward a cohesive approach to Electronic Invoice Presentment and Payment (EIPP 2016 – 2020). We promote prompt payment across our supply chain. The Total Facilities Management Contract with Mitie is an exemplar in this matter.

Where appropriate SDS applies Community Benefits Clauses (2.5.6). The threshold being greater than £4 Million aggregate value over the lifetime of the contract.

We consult with those suppliers involved with our business delivery through face to face supplier forums and supplier discovery days if entering upon a new area of expenditure (2.5.7).

The Living Wage is not mandatory, however SDS encourage the uptake of the Living Wage. SDS apply a range of Fair Work Practices as appropriate (2.5.8).

(2.5.1.0) SDS will continue to purchase Fair Trade Goods (e.g. Food and Drink) and Eco-Friendly Products where practicable. SDS call off working lunches from Social Bite.

SDS as a contracting authority will enter into a relevant agreement on the basis of an offer which is the most economically advantageous, SDS will have due regard to whether the award criteria should include considerations to enable it to better perform the equality duty.

Policies

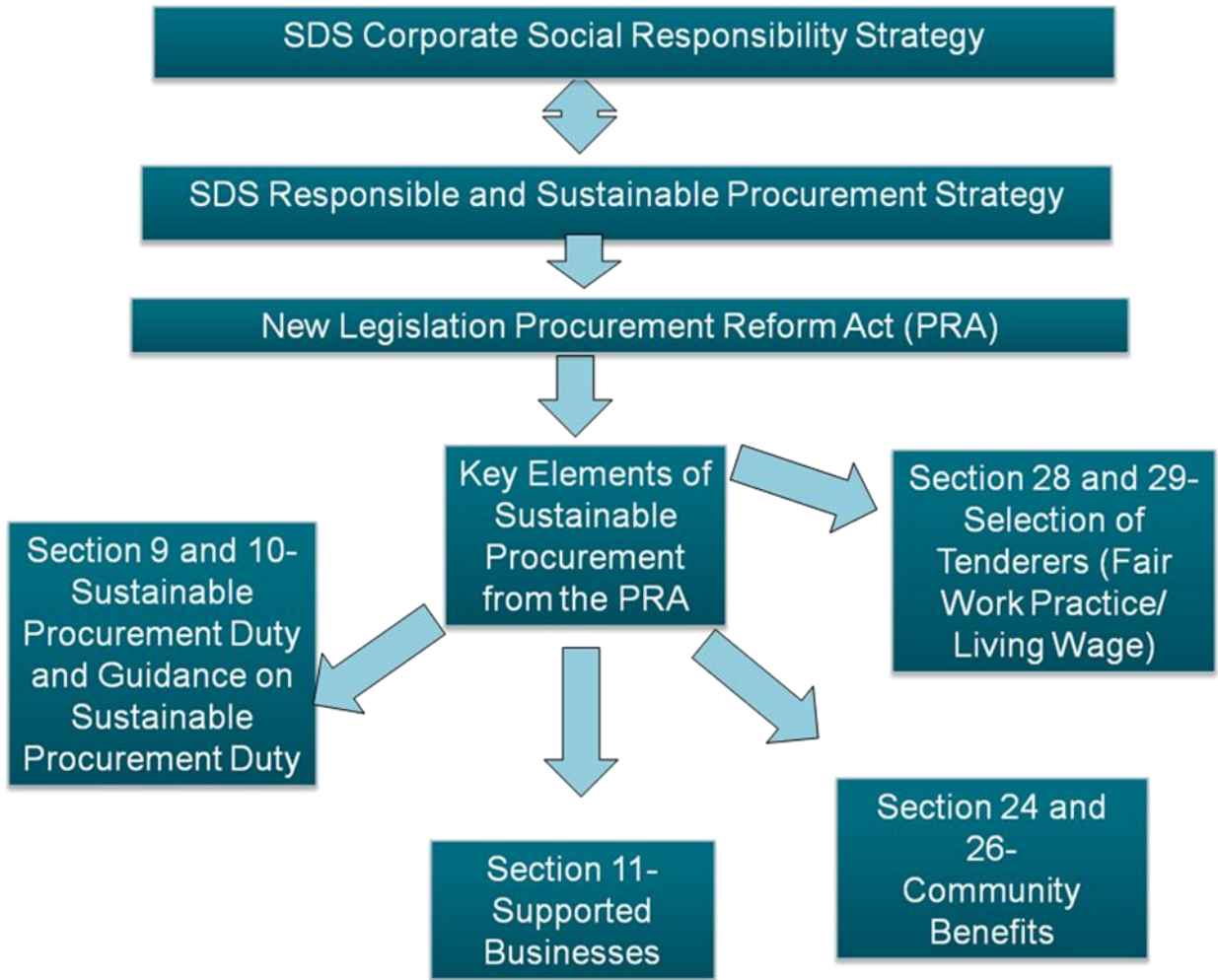
1. SDS Procurement Policy
2. SDS Responsible & Sustainable Procurement Policy
3. SDS Code of Conduct Policy
4. SDS Contract Management & Supplier Relationship Management Policy
5. SDS Community Benefits Policy

Tools

1. SDS Procurement Dashboard
2. SG Procurement Journey
3. Continuous Improvement Action Plan
4. Business Excellence Self Assessment
5. Procurement Commercial Improvement Programme
6. Prioritisation Methodology
7. Lifecycle Mapping
8. Contract Management Balanced Scorecards

8. Top 10 Key Procurement Strategies 2016 – 20

1. Realise SDS's vision by continuously developing SDS as a centre of procurement and commissioning expertise, with a highly motivated staff of suitably qualified and experienced practitioners.
2. Contribute to the triple bottom line of : economy, community and environment.
3. Secure value for money through best practice techniques.
4. Establish virtuous contract lifecycle management for key contracts.
5. Implement a process for the strategic supplier management of Tier 1 Suppliers (central contracts).
6. Achieve supplier inclusion and effective competition through a considered proportionate approach.
7. Develop further spend analytics and spend management information for commodity categories and services to enhance reporting.
8. Share and exchange commercial knowledge with other public sector bodies and support the SDS led central government cluster.
9. Introduce Electronic Invoice Presentment and Payment to meet the EU e-invoicing Directive.
10. Interpret and implement the Procurement Reform Regime through effective change management across SDS.



Annex B – Planned Regulated Procurements to be conducted 1st October 2016 to 31st March 2017.

Contract Ref	Contract Title	Status	Type of Contract
P16-002	Local Government Survey	Planned	ITQ
P16-005EE	Oil & Gas Tracker	Planned	ITQ
P16-016	Skills Pathways	Planned	ITQ
P16-039	Desk and Room Booking System	Planned	Framework
P16-041	Training Provider for SDS Modern Apprenticeship Programme	Planned	ITQ
P16-051	Young People in Scotland Survey 2016	Planned	TBC
P16-051	YPIS Survey	Planned	TBC
P16-054	ICT and Digital Technologies Extra Curricular Funding Framework	Planned	TBC
P16-073	My World of Work Skills Review tool	Planned	ITQ
P16-081	PACE - Qualitative Follow-up with Older Clients	Planned	ITQ
P16-083	Strengths Tool	Planned	ITQ
P16-084	Business Continuity System	Planned	ITQ
P16-086	EIS Solutions Design	Planned	ITQ
P16-087	SDS Factor Plan	Planned	ITQ
TBC	Risk Management system	Planned	ITQ
TBC	Internal Audit	Planned	ITT
TBC	Mobility Services	Planned	Framework
P16-063EE	FIPS Programme	Planned	Variation via LM Contract
P15-041	Maintenance Agreement	Planned	ITQ
P15-136	Third Party Contracts (74 originally as of end June now reduced to 24)	Planned	Mixture of ITQs & ITTs
TBC	Enterprise Architect System	Planned	ITQ
TBC	SNOW Reporting	Planned	ITQ
P16-088	NTP - MA Provider	Planned	ITT OJEU
P16-089	NTP - MA Employer	Planned	ITT OJEU
P16-090	NTP - Employability Fund	Planned	ITT OJEU
P16-091	Design and Delivery of a game to challenge attitudes around STEM	Planned	ITQ
TBC	IEN Framework	Planned	ITT
TBC	MAC Research	Planned	ITQ
TBC	Digital Schools: Research	Planned	ITQ
TBC	PACE Training	Planned	ITQ
TBC	Employer Support	Planned	ITQ
TBC	LCSF pilot	Planned	ITQ
TBC	Subject Matter Expertise - Civil Engineering Framework Development L10 and L11	Planned	ITQ
TBC	Gender: Diversity Support for Employers	Planned	ITQ
TBC	Gender: mentoring framework	Planned	ITQ
TBC	BUZZ	Planned	ITQ
TBC	Mental Health Awareness Training	Planned	ITQ
TBC	Aspire Training Courses	Planned	ITQ
TBC	Aspire Training Courses	Planned	ITQ
TBC	Aspire Training Courses	Planned	ITQ
TBC	Young Talent Workshops	Planned	ITT
TBC	UCAS Data	Planned	ITQ
P16-059	QCGD	Planned	ITT
TBC	ILA	Planned	ITT
TBC	Funding Search Tool for OSF	Planned	ITQ
TBC	Qualification Routes for Development	Planned	ITQ
TBC	Gender Mentoring	Planned	ITQ
TBC	Voice Services	Planned	ITQ
TBC	UKCES NOS	Planned	ITT OJEU
TBC	CIAG Questionnaires	Planned	ITQ

Annex C- Regulated Procurement to be conducted FY 2017 / 18 (Subject to budget SDS only approval)

• Modern Apprenticeships	£75M
• Employability Fund	£22m
• Foundation / Graduate level	£ 8M
• Estates / Facilities	£ 7M
• ICT	£ 5M

