



Procurement Strategy and Action Plan 2016 - 2021

1. Context

The University of Aberdeen's Strategic Plan contains a vision to transform the world with greater knowledge and learning and to be one of the world's top seats of teaching and learning and deliver a personalised student experience of the highest quality in an international context. The University shall strengthen research intensity by working with partners and stakeholders to undertake rigorous, relevant, impactful and excellent research; be a progressive university where staff and students thrive within a culture of equality and diversity to enable them to achieve their aspirations and ensure that social, cultural and economic impact is at the heart of everything it does.

The University of Aberdeen's Procurement Strategy is aligned with the University strategic goals, established collaborative initiatives and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014. The Strategy, approved by The University Court on 6 December 2016, is the culmination of consultation and engagement with different stakeholder groups impacted by the institutional approach to procurement.

The success of the strategy depends on balancing the University's business and reputational needs with the various regulatory compliance and Government policy delivery expectations that publicly funded bodies face. That focus also needs to take proper cognisance of the environment in which the University operates and to address external drivers and opportunities for improvement where appropriate.

2. Procurement Strategy

The Procurement Strategy sets out the strategic institutional approach to procurement within challenging economic, legislative and regulatory environment. The Action Plan element of the Strategy translates the strategic objectives and desired outcomes into the detailed actions and processes required to maintain a sustainable, cost-effective and legally compliant University procurement operation. Its focus is on engaging all staff involved in buying goods and services on behalf of the University, and improving the benchmark Procurement Capability & Improvement Programme (PCIP) score for publicly funded organisations.

3. Procurement Mission Statement

The University of Aberdeen is committed to obtaining value for money in all of its transactions. In conducting its daily business, staff must always consider the University's wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective procurement will support the key institutional objectives across these important operational dimensions.

4. Strategic Procurement Objectives

The Procurement objectives support the University's strategic goals as follows:

- a)** *To be one of the world's top seats of research, teaching, learning and knowledge sharing, providing a standout personalised student experience of the highest quality:*
 - i. To work with internal academic budget holders, professional support service colleagues, lead buyers and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the University.
 - ii. To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities to assure all internal and external stakeholders that every pound is being spent wisely.
 - iii. To develop robust and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate and academic planning, conducted through fair, transparent and safe processes.

- b)** *To enrich people's lives through research, teaching, learning and sharing of knowledge to push boundaries and deliver success, creating a knowledge exchange to benefit all of society:*
 - i. To seek out professional development opportunities to enrich and enhance the experience and capability of procurement specialists and those who have developed purchasing authority.
 - ii. Consolidate positive communication links with partners and suppliers to ensure continued value, manage performance and minimise risk throughout the life of contracts for the benefit of students, staff and stakeholders.

- c)** *To ensure that commitment to financial, social, cultural and environmental sustainability is at the heart of everything we do:*
 - i. Embed sound ethical, social and environmental policies within the University's procurement function and to comply with relevant Scottish, UK and EU legislation in performance of the Sustainable Procurement Duty (promoting economic, social and environmental wellbeing), promotion of equality, diversity, fair work practices and community benefit.
 - ii. Sustain and further develop partnerships within the sector (including *APUC and EAUC), with other publicly funded bodies, with professional bodies and appropriately with suppliers that will yield intelligence, innovation and deliver value to users of procurement services.

**APUC (Advanced Procurement for Universities and Colleges) and EAUC (Environmental Association for Universities and Colleges)*

5. Compliance with the Procurement Reform (Scotland) Act

The inclusion of the following statements in the University Procurement Strategy is mandatory to demonstrate how the University will deliver the requirements of the Procurement Reform (Scotland) Act.

Procurement Reform Act Requirement	Action/Strategy
Community Benefits	For every procurement over £4m, the University will consider how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with its strategic objective of sustainability. Such improvements could be implemented through mandated delivery of training opportunities or a main construction contractor employing an additional apprentice for the duration of a major project.
Consulting and engaging with those affected by its procurement	Where appropriate, prior to a procurement exercise, the University will consider the community affected by the resultant contract and ensure any affected organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question.
The Living Wage	The University recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. As a Living Wage employer, the University will encourage the fair work practices of suppliers in its procurement, including application of the Living Wage where relevant and proportionate.
Health and Safety	The University is committed to contracting only with suppliers that comply with all appropriate and relevant legislation, including Health and Safety legislation. Where appropriate, and on a contract by contract basis, the University will assess the legislation applicable to a procurement and take steps to ensure bidders comply with

	such legislation. Where proportionate, the University may assess such compliance of subcontractors also.
Fairly and ethically traded goods and services	The University operates a Fair Trade Campus that supports the sourcing of goods that are fairly and ethically traded. Where relevant it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations, and will consider equivalent offerings from suppliers in its tenders.
Procurement involving the provision of food	The University will find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents value for money whilst improving the health, wellbeing and education of our teaching and learning communities, coupled with promoting the highest standards of animal welfare.
Late Payment	The University will comply with the Late Payment legislation and will review, on a contract by contract basis, whether such obligations should be enforced and monitored further down its supply chain.
Sustainable procurement duty	The University will undertake regulated procurements in compliance with the sustainable procurement duty. Consideration of environmental, social and economic issues and how benefits can be delivered through the procurement will be made, where appropriate and on a contract-by-contract basis. The institution will utilise available tools and systems such as Prioritisation, Flexible Framework, APUC's Code of Conduct and APUC's SUSTAIN tool where relevant and proportionate to the scope of the procurement.
Ensure compliance with duty to treat relevant economic operators equally and without discrimination	<p>The University will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.</p> <p>The University will take steps to make it easier for smaller businesses to bid for</p>

	<p>contracts by using portals, including Public Contracts Scotland (PSC), to publish its procurement opportunities. And, shall publish a contracts register to highlight contracts for renewal and make them accessible to as many bidders as possible.</p>
<p>Ensure Regulated procurements contribute to University's functions and achievements</p>	<p>The strategic procurement objectives are aligned to the University of Aberdeen Strategic Plan. When developing a procurement strategy (including category and one-off procurement strategies), relevant consultation will be conducted with key internal stakeholders to ensure that departmental and organisational aims and objectives are better achieved.</p>
<p>Ensure procurements deliver value for money.</p>	<p>The University will analyse third party expenditure, identify 'EU regulated procurements' [i.e. goods and services worth more than £164,176 and works worth more than £4,104,394] and 'lower value regulated procurements' [i.e. goods and services worth more than £50,000 and works worth more than £2 million].</p> <p>The University will then sort them into procurement categories and the purchasing of those goods and services will be subject to annual review with APUC, end user and supplier consultation. Optimal category strategies will be agreed, sensible aggregation opportunities exploited, category and commodity strategies developed, recorded and the most appropriate procurement routes to market chosen.</p> <p>The University will make appropriate use of collaborative contracting arrangements (e.g. national, sectoral or local framework agreements or contracts) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.</p> <p>In making regulated procurement contract awards, quality, risk and sustainability factors will be considered along with cost according to declared score weightings on a contract-by-contract basis.</p>
<p>Ensure procurements are transparent and proportionate.</p>	<p>The University shall utilise portals including Public Contracts Scotland (PCS) and Public</p>

	<p>Contracts Scotland –Tender (PCS-T) to publish its procurement opportunities.</p> <p>The University shall strive to ensure appropriate use of lotting, output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.</p>
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6. Annual Reporting

The University will produce a report on progress against these objectives annually and publish this on the University's Procurement website. This report, produced as soon as practicable after the end of the financial year*, will describe how the University has discharged its obligations under the Procurement Reform Act and how it has exercised discretion and judgement as permitted by the public procurement rules to secure strategic objectives in compliance with the Act.

The Annual Report will include (SEE ANNEX A – DASHBOARD) -

- a summary of the regulated procurements that have been completed during the year covered by the report,
- a review of whether those procurements complied with the University's procurement strategy,
- to the extent that any regulated procurements did not comply, a statement of how the University intends to ensure that future regulated procurements do comply,
- a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- a summary of the regulated procurements the authority expects to commence in the next two financial years,
- such other information as the Scottish Ministers may by order specify.

**NOTE: The first report should cover the period 31 December 2016 to 31 July 2017 and 1 August 2017 to 31 July 2018, and be produced as soon as reasonably practicable after 31 August 2018.*

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Action Plan

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med
c) ii - Sustain and further develop partnerships within the sector (including APUC, and EAUC), with other publicly funded bodies, with professional bodies and appropriately with suppliers that will yield intelligence, innovation and deliver value to users of procurement services	Optimised use of *Cat A, B and C1 collaborative contracts and extension of early procurement contributions of value to all areas of influenceable expenditure.	Scrutinise annual expenditure analysis to improve its utility. Identify collaborative regulated procurements and categorise. Establish contracts register.	Numbers and values for A B and C1 business as % of totals Number and value of contracts covered by register	Qu 4	Head of Procurement	HIGH	Dashboard (Appendix A) Qu 1.2 Qu 2.1 Qu 2.2 Qu 3.3
	Established network with APUC, other sector consortia, sector representative bodies for collaborative and professional development	Benchmarking of good practice standards and procurement performance standards	Use of Business Process Improvements	Ongoing with periodic progress reports	Head of Procurement	MEDIUM	Qu 1.10
	Extension of best practice methods and ethical values to all phases of the procurement process.	Processes mapped to the Procurement Journey using internal and external training resources	Details of training delivered and numbers involved	Annual	Head of Procurement	MEDIUM	Qu 1.5
	Development of a shared, integrated procurement strategy development process	Develop forward contracting plan and strategies and relate these to sectoral, regional and national contracting plans	Number and value of contracts covered by contracting strategies expressed as % of totals	Annual Contracting Priorities	Head of Procurement	MEDIUM	Qu 1.3 Qu 2.1
	Effective supplier management, development and performance measurement processes	Analyse the supplier base and develop supplier relationship management processes accordingly	Number of suppliers and value of business subject to segmentation analysis	Annual	Head of Procurement	MEDIUM	Qu 3.1

*Note: Cat A – National agreements, Cat B – Sectorial agreements, Cat C1 – collaborative agreements between two or more local organisations and Cat C – institutional agreements.

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a) i - To work with internal academic budget holders, professional support service colleagues, lead buyers and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the University.	Establishment of an internal buyers network and optimised cross-functional collaboration to secure benefits of aggregation of demand and future contract planning	Establish/ develop a strong devolved internal 'Lead Buyers' network. Develop a procurement action plan.	Number of 'Lead Buyers' Total £ value of Lead Buyer expenditure	Ongoing with annual reporting	Head of Procurement & Lead buyers/ Procurement Group	HIGH	Qu 1.2 Qu 1.9
	Procurement information routinely communicated to people who need to know	Co-ordinate procurement initiatives and disseminate procurement information from external sources e.g. APUC contract and advisory information. Optimise use of intranet to communicate.	Record of number, frequency and forms of communications	Quarterly review Annual Report	Head of Procurement	MEDIUM	Qu 1.9 Qu 1.10
	Procurement training and/or guidance systematically applied to points of need	Ensure all staff involved in procurement process can receive appropriate training	Record of staff attending individual training events, also to include counter fraud and conflict of interest issues	Ongoing linked to changes and turnover	Head of Procurement + APUC	LOW	Qu 1.5 Qu1.8
	Implementation of efficient procurement processes e.g. tendering, requisitions, approvals, order and invoicing processes.	Review processes and optimise use of e-tools Including PCS for all regulated procurements & PCS-T Robust internal control systems for procurement processes and systems	Record number and types of etransactions quarterly/annually and as % of total transaction type and total value of transaction type e.g. bids orders, invoices and monitor over time	Quarterly, Annual reports	Head of Procurement + lead buyers Group + Finance Internal Audit	MEDIUM	Qu 4.1 Qu 4.3
			Clean audit report	Periodic		MEDIUM	Qu 1.6
	Suppliers and potential suppliers provided with guidelines and advice on doing business with University and with APUC	Clear communication on procurement issues and links on website.	Outputs of stakeholder and supplier satisfaction surveys	Ongoing – Quarterly & Annual	Head of Procurement + ICT	HIGH	Qu 3.1 Qu 3.2
	Strengthened senior management appreciation of role purpose and value contribution of procurement	Provision of annual report to SMT	Trend reporting in SMT reports	Quarterly + Annual	Head of Procurement + Director of Finance + APUC Account Manager	HIGH	Qu 1.1
	Wide stakeholder buy-in	Review plan and communication methodology	Stakeholder engagement record	Annual & Ongoing	Head of Procurement	MEDIUM	Qu 3.4

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a) ii - To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities to assure all internal and external stakeholders that every pound is being spent wisely.	Clear specifications and procurement strategies agreed with stakeholders Regular review of the need for and performance of contracts prior to developing replacement procurement strategies	Review organisational expenditure data to identify contracts in place, contracts with stakeholder agreed strategies and regulated procurements Training of organisational staff on best procurement practice including appropriate approaches to regulated procurements in use of specifications, selection and award criteria. Establish a plan to develop commercial acumen.	Total expenditure on projects, goods and service and % of total expenditure influenced by procurement, %'s of total expenditure covered by Cat A, Cat B, Cat C1 and Cat C contracts % expenditures by Cat % of total value covered by contracts in the last FY % of total expenditure covered by a contracts register,	Annual & Ongoing Training provided according to needs assessment	Head of Procurement + Lead Buyers + APUC Account Manager	HIGH	Dashboard Qu 2.1 Qu 2.3 Qu 1.9
	Category contract strategies that detail the organisational approach to regulated procurements	Expenditure data sorted into categories	% by value and number of contracts that are EU regulated procurements,	Annual & Ongoing	Head of Procurement + Lead Buyers + APUC Account Manager	MEDIUM	Dashboard
	Minimisation of duplication of procurement activity within the University and between the University and partners e.g. CoE	Review expenditure on goods and services covered by duplicate contracts and remove duplicated effort where feasible and beneficial	% by value and number of contracts that are 'lower value regulated procurements' (i.e. goods and services > £50k and works > £2m),	Annual & Ongoing	Head of Procurement + Lead Buyers + APUC Account Manager	MEDIUM	Dashboard
	Management and measurement of performance of contracts in line with stakeholder and supplier agreements over the lifetime of the contracts	Develop commodity strategies in line with Procurement Journey Contract and supplier management processes applied to all significant provision and associated suppliers securing service improvement and/or opportunities for innovation	Totals of maverick and compliant expenditure in last FY	Annual & Ongoing	Head of Procurement + Lead Buyers + APUC Account Manager	HIGH	Dashboard Qu 2.2 Qu 2.3 Qu 3.3 Qu 2.5 Qu 3.1 Qu 3.2

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<p>b) i - To seek out professional development opportunities to enrich and enhance the experience and capability of procurement specialists and those who have devolved purchasing authority.</p> <p>b) ii - Consolidate positive communication links with partners and suppliers to ensure continued value, manage performance and minimise risk throughout the life of contracts for the benefit of students, staff and stakeholders.</p>	A high calibre procurement team with competency based training and skills development programmes. Structured recruitment, career development and retention programmes with a focus on sustainability	Conduct high level analysis of procurement competencies and skills profiles required at different levels of procurement engagement and conduct gap analysis	Number of people in the procurement team Number of procurement officers with MCIPS or MSc per £m of influenceable expenditure	Ongoing	Head of Procurement	MEDIUM	Dashboard Qu 1.4 Qu 2.6
	Devolved procurement competencies assessed across the University Procurement induction programmes for all new appointees	Address shortfall by encouraging involvement with or attendance at training and development courses and events with results monitored and recorded.	Number of authorised or delegated purchasing staff outside Procurement Number of procurement officers to have undertaken formal training & development in the past year	Ongoing Annual	Head of Procurement, Director of Finance, HR, Budget holders, APUC	MEDIUM	Dashboard Qu 1.5 Qu 2.6
	Two-way managed supplier relationships to simplify doing business with the organisation while driving down risk and improving performance and value	Construct customer positioning and supplier relationship matrices to determine appropriate tactical and strategic approaches to supply markets	%'s of 'significant' suppliers - understanding where their products are classified in terms of supply risk and profit contribution, and also establish where the balance of power lies.	periodic reviews	Head of Procurement + Budget holders	HIGH	Qu 3.1
	Supplier/customer positioning, development and leveraging to assure optimum value delivery while managing supply side risks and opportunities.	Obtain regular customer input/feedback Obtain regular supplier input /feedback	Survey trend analysis Include in annual reports	Periodic [but important to avoid the process becoming burdensome]	Head of Procurement	MEDIUM	Qu 1.10 Qu 3.5
	A robust procurement risk register	Develop weighted impact-and-probability procurement risk assessment methodology	Data drawn from risk criticality rating matrix	Immediate with regular reviews	Head of Procurement + Senior Management Team	HIGH	Qu 1.7
<p>a) iii - To develop robust and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate and academic planning conducted through fair, transparent and safe processes</p>	Robust systems analysis and development with optimal exploitation of "e" procurement tools in place	Produce [or review if already produced] a procurement ICT strategy	Benefits reports on - • time saved • faster order-to-delivery • Purchasers directed to approved suppliers, improving compliance and reducing time sourcing items. • price leverage. • reduced costs of stationery, postage, copying and associated admin. • high quality, detailed management information.	Immediate then periodic review	Head of Procurement, Director of Finance + ICT	HIGH	Qu 4.3
	Use of benefits measurement to record efficiencies generated by procurement activity.	Adopt efficiency measurement model or similar	Measures of • Price reduction. • Added value. • Risk reduction. • Process re-engineering. • Sustainability.	Annual	Head of Procurement + APUC	HIGH	Qu 3.5
	Customer satisfaction questionnaire	Establish a procurement network to gather and disseminate information	Periodic surveys analysed to show satisfaction trend analysis	Periodic [but important to avoid the process becoming burdensome]	Head of Procurement	MEDIUM	Qu 1.10
	Annual report records achievement against strategic objectives.	Prepare periodic reports that address both management needs and the requirements of the PR(S)A. Prepare annual report on performance against procurement strategy.	Benchmark report content and scope with peer organisations	Annual – as soon as practicable after each FY	Head of Procurement + APUC Account Manager	HIGH	Qu 1.3
	Improved management of suppliers by means of performance review with key suppliers.	Gather data on supplier performance. Compare supplier performance using data from internal audits and benchmarking information from other organisations of a similar size	Cost reduction and service improvements reports	Quarterly and Annual	Head of Procurement + APUC Account Manager	MEDIUM	Qu 3.1 Qu 3.2

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Full/Med
c) i - Embed sound ethical, social and environmental policies within the University's procurement function and to comply with relevant Scottish, UK and EU legislation in performance of the sustainable procurement duty	Appropriate use of tools to identify high risk commodities, embed relevant and proportionate requirements into contracts. Encourage good practice and analyse opportunities to maximise social, economic and environmental outcomes through procurement action	Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty Apply the prioritisation methodology, Flexible Framework, *SUSTAIN. to develop action plans, contracting strategies and to focus resources of high risk and/or influenceable commodities	Number and value of relevant contracts as % of total regulated contracts	Annual Reporting End 2017	Head of Procurement + Budget holders Head of Procurement + APUC	HIGH MEDIUM	Qu 1.3 Qu 2.3 Qu 2.6 Qu 1.4
	Consideration of whole life costs, environmental and social impacts in assessment of value for money	Embed sustainable procurement duty processes in commodity and category strategies, tender docs & evaluation criteria	Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total	Immediate appraisal then annual reporting	Head of Procurement + APUC Account Manager	HIGH	Qu 2.5 Qu 2.6
	Suppliers led to: • promote awareness of sustainability objectives • adopt sustainable approaches in production of goods/services within their own supply chains • improve their performance in relation to sustainability objectives • address barriers to entry of SMEs and local suppliers	Organise supplier engagement and supplier 'conditioning' sessions to advise on organisational objectives under the sustainable procurement duty	Number of suppliers engaged. Improved outcomes recorded and reported Forward targets and strategies in place	Ongoing	Head of Procurement + SMT + APUC	MEDIUM	Qu 3.1

*NOTE: SUSTAIN is a sector wide collaborative tool for assessing Supply Chain Sustainability

Annex A
Dashboard Measures (Required in all Full, Medium and Lite PCIPs):

Total Procurement Relevant Spend in the Last Financial Year
Total Procurement Influenced Spend in the Last Financial Year
Upheld Procurement Legal Challenges in the Last Financial Year
Value of Contracts / Frameworks in the Contracts Register* see note below
Percentage of current Cat C Contracts / Frameworks in Place Covered by a Strategy
Total through a Collaborative Contract in the Last Financial Year
Total Relevant Spend through a CAT C Contract in the Last Financial Year
Compliant Spend to Contract / Framework For the Last Financial Year
Maverick Spend For the Last Financial Year
Total No. of Live trade suppliers
Total Spend to SME Suppliers in the Last Financial Year
No. of SME suppliers used in the Last Financial Year
Total No. of Purchase Orders (POs) in the Last Financial Year
Total No. of eProcurement POs in the Last Financial Year
Total No. of Invoices in the Last Financial Year
Total No. of elnvoices in the Last Financial Year
Payment Performance in the Last Financial Year
No. of FTE People in the Procurement Team
No. of Procurement Officers within the Procurement Team Qualified, or Working Towards MCIPS or an Equivalent Qualification that includes Procurement
No. of Procurement Officers in Procurement Legislation Training Within last 12 months of when Legislation / Remedies have Occurred.
No. of Authorised or Delegated Purchasing Staff outside Procurement
No. of Modern Apprentices

Optional/Ring-fenced in the Dashboard (Optional – if data exists it should be provided / Ring-fenced – could be required by Ministers in line with Regulations):

Number of Suppliers Used within the Last Financial Year
Total eProcurement Spend in the Last Financial Year
Retrospective POs in the Last Financial Year
No. of Procurement Officers within the Procurement Team Qualified with MCIPS or an Equivalent Qualification that includes Procurement
No. of Contracts with Community Benefits Clauses in the last financial year
No. of Tenders with Community Benefits Questions in the last financial year
Spend with supported businesses in the last financial year
No. of supported business suppliers in the last financial year
% spend through PCS- 80%