

# Procurement Strategy & Action Plan

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## 1. THE CONTEXT

Heriot-Watt is a specialist, pioneering University with a global presence, world-renowned innovative research and highly employable graduates, and a history dating back to 1821. Our vision is to be world-leading within all our areas of specialism, creating and exchanging knowledge that benefits society.

Through **Strategy 2025**, Heriot-Watt is driving forward as an international university which places students and staff at the heart of everything we do. Our strategy is to continue to build our international presence and impact through our campuses and partnerships, focusing on our strengths in learning and teaching and research.

Heriot-Watt has a reach that is truly international and we are a powerful driver of the global economy. We operate across five campuses in the UK, Middle East and South-East Asia, and have diverse communities of learners, scholars, professionals and partners from over 160 countries around the world.

This Procurement Strategy underpins **Strategy 2025** and is aligned with the University's strategic focus of moving towards a single, globally connected University which supports and enhances exchange, collaboration and partnership. The four strategic themes and SPIs of 'Strategy 2025' underpin our strategic procurement objectives and procurement action plan, and we will embed the University's four guiding values - **inspire, collaborate, belong and celebrate** – into all of our activities.

A successful shared strategic focus depends upon how we, Procurement Services, balance the University's business and reputational needs with the various regulatory compliance and government policy delivery expectations. We must align the perceptions and understanding around what the University needs from a 'fit for purpose' procurement division, ensuring that our deliverables are consistent with the University's strategic aims and objectives.

This Procurement Strategy, used in conjunction with the University's Sustainable Procurement Policy, sets out the strategic approach to procurement at the University within the prevailing regulatory and political climate. We must have greater awareness and recognition of the environments which the University operates in, ensuring that we respond to external drivers and capitalise on opportunities for innovation, collaboration and efficiencies.

The Action Plan element of the Strategy translates the strategic objectives and desired outcomes into the detailed actions and processes required to enhance our procurement operation, delivering an improved service that supports the University's extensive change programme. Our focus is not only on those staff involved in the purchasing transactions on behalf of the University, but includes all students, customers and communities that are influenced by the University's procurement of goods, services and capital works.

## 2. OUR VISION

It is our vision to become a centre for procurement excellence, maximizing commercial value for the University whilst making a significant, sustainable and socially responsible contribution to our local and global communities.

## 3. OUR MISSION

We are committed to obtaining value-for-money in all of our transactions for goods, services and capital works, whilst considering the University's wider responsibilities in terms of legal, moral, social, economic and environmental impact. Effective procurement will support the University's aim of becoming one single, globally connected University across these five important operational dimensions.

## 4. OUR STRATEGIC PROCUREMENT OBJECTIVES

Procurement Services' strategic objectives support **Strategy 2025** and are aligned with the University's strategic focus of moving towards a single, **globally-connected University** which supports and enhances

exchange, collaboration and partnership across all campuses. We support the University in achieving its ambitions by delivering strategic procurement solutions that facilitate **excellence** in **research, education and enterprise**, with a focus on **building flourishing communities** in all of our local regions.

Our broad objectives are:

- To deliver a commercially focused global procurement function, capitalising on global opportunities for partnership and collaboration with suppliers for the benefit of research, education and enterprise, through best practice procurement and the optimal use of collaboration opportunities.
- To work with academic budget holders and professional services colleagues to deliver optimal value to the learning, research and professional service communities, by embedding an effective co-ordinated and standardised purchasing effort and providing innovative solutions for procurement requirements.
- To engage and develop our supply chains to ensure continued value, managed performance and minimised risk throughout the life of contracts for the benefit of customers, students and our global communities.
- To drive forward the University's sustainability agenda by prioritising ethical, social and environmental objectives, positively contributing to the University's net zero carbon target and driving economic sustainability through procurement activities.

We will translate these strategic objectives and desired outcomes into detailed actions to enhance our procurement operation, delivering an improved service model and better procurement solutions that facilitate excellence in research, education and enterprise.

## 5. OUR ROLE

Procurement Services provide professional, qualified procurement expertise, advice and services for the University's non-pay expenditure. We support all companies within the Heriot-Watt Group, across all five campuses, ensuring that the ethos and principles of fairness, transparency, openness, economy and competition are evident and consistent across the University's procurement activities.

As outlined in our Sustainable Procurement Policy, Procurement Services meet the University's requirements of acquiring goods, services and capital works in a way that delivers best value-for-money and benefits for not only to the University, but in a way that makes a significant, sustainable and socially responsible contribution in our local regions and across the world. We are committed to integrating sustainability into everyday practice and decision-making processes, thereby minimising our environmental impact and optimising the social and economic outcomes associated with our operations.

Procurement Services support the University's strategic, operational and commercial objectives outlined in **Strategy 2025**, and its ambition of building a globally connected University. It will be our focus to not only embed stronger collaboration with Academic Schools and Professional Services to support their annual plans and objectives, but also to deliver a more cohesive, global and efficient approach to procurement within and across all campuses. We must ensure that we are all aligned in our strategic direction and embedding 'one HW way' in our operations wherever possible.

Procurement Services' role includes:

- Provide professional procurement expertise, advice and services for the University's non-pay expenditure
- Working with budget-holders, devolved buyers and suppliers to obtain innovative and sustainable solutions which achieve value-for-money, without compromising standards
- Reviewing and developing Procurement Strategy, policies & processes
- Supporting devolved purchasing across all campuses to communicate and embed good procurement practices, ensure proper financial governance and increase collaborative initiatives

- Driving efficiency and savings targets
- Reducing supply, legal and reputational risks for the University
- Embedding ethical, social, environmental policies within procurement practices
- Developing and using comprehensive management information to aid with corporate planning and processes
- Enhancing e-commerce efficiency, including support for the development of the Cloud ERP solution
- Seeking out professional development opportunities to enrich and enhance the experience and capability of procurement professionals
- Supporting staff development and supplier capability
- Sustaining and developing partnerships within the sector, as well as with other publicly-funded and professional bodies, to deliver value to users of Procurement Services.

## 6. OUR VALUES AND GOVERNING PRINCIPLES

Procurement Services share and uphold the University's four values, which underpin how we work together and how we reach decisions, throughout its strategic and daily operations. Our values remind us that we:

- **Inspire** curiosity to learn and find solutions that transform lives.
- **Collaborate** by working in partnership to shape the future whilst taking responsibility for our own actions.
- **Belong** to a diverse, inclusive and international community working together across boundaries and cultures.
- **Celebrate** excellence and take pride in the achievements of our students, staff and alumni.

The principles of our procurement activities, which are derived the Treaty on the Functioning of the European Union (TFEU), are:

- Equal treatment
- Non-discrimination
- Transparency
- Proportionality
- Mutual recognition

In order to demonstrate that we comply with the principles of transparency and proportionality, Procurement Services will continue to analyse and select appropriate routes to market reflective of the regions it is operating within, and in line with best practice procurement and our legislative requirements.

## 7. OUR ACTION PLAN

The Procurement Services' Strategic Action Plan outlines our outcomes, main actions and commitments, and key indicators.

Please refer to Annex A.

## 8. COMPLIANCE WITH THE PROCUREMENT REFORM (SCOTLAND) ACT

The University is committed to adhering to the requirements of the Procurement Reform (Scotland) Act. The University considers that these legal requirements strongly and positively align with the University's desire to procure in an appropriate, effective and sustainable manner.

Please refer to Annex B.

## 9. REPORTING OUR PERFORMANCE

The University will continue to produce an Annual Procurement Report on progress against the strategic objectives and publish it on the University's Procurement Services 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 (Scotland) Act 2014 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 Procurement Report will include:

- 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 authority's procurement strategy.
- To the extent that any regulated procurements did not comply, a statement of how the authority 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.
- Other information as the Scottish Ministers may by order specify.

Compliance of the Procurement Strategy with the Procurement Reform (Scotland) Act 2014 is outlined in Annex B, which links the requirements of the Procurement Reform (Scotland) Act 2014 to actions in the University's Procurement Strategy.

## **10. SUPPORTING DOCUMENTATION**

The following additional documents are available from Procurement Services:

- Sustainable Procurement Policy
- Modern Slavery and Human Trafficking Statement
- Supply Chain Code of Conduct
- Terms and Conditions of Contract

## Annex A: Procurement Services' Strategic Action Plan

To a deliver a commercially focused global procurement function, capitalising on global opportunities for partnership and collaboration with suppliers for the benefit of research, education and enterprise, through best practice procurement and the optimal use of collaboration opportunities.		
Outcomes	Main Actions & Commitments	Key Indicators
<b>Strategic partnerships and collaboration with industry that will support excellence in research and enterprise</b>	<p>Development of global contracting plan linked to strategic and operational planning, scrutinizing non-pay expenditure to identify opportunities for collaboration and aggregation across all campuses.</p> <p>Global category management approach embedded to better manage expenditure categories across all campuses.</p> <p>Embed flexible resource model spanning across all campuses.</p>	<p>Increased collaboration with suppliers for the benefit of research, enterprise or teaching</p> <p>Global Contract Register/ Contracting Plan in place</p> <p>Global Procurement Category Strategies developed</p> <p>Increased procurement savings as a % of influenceable non-pay expenditure</p>
<b>Delivery of innovative, advanced and sustainable solutions, including value-for-money, by using procurement practices that reflect best practice</b>	<p>Better use of 'non-standard' procurement procedures to deliver innovative, advanced and sustainable solutions, using dialogue and negotiation.</p> <p>Implementation of 'gateway reviews' for formal review of the Strategy and Contract Award proposal.</p> <p>Conduct all procurements in compliance with principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition, ensuring the ethos of procurement is consistent across the University.</p> <p>Benchmark of good practice industry standards and processes, which reflects the markets that we operate in – e.g. Scottish Government's Procurement Journey, EU Directives, etc, in the UK.</p>	<p>Increased value-added initiatives delivered and reported</p> <p>Increased procurement savings as a % of influenceable non-pay expenditure</p>
<b>The development of the specification, tender documentation and determination of the route to market to reflect whole life costs, best value and aggregation of spend.</b>	<p>Comprehensive procurement strategies that facilitate the production of clear and concise specifications, evaluation criteria and innovation.</p> <p>Evaluation of tenders considers quality, risk and sustainability factors, which is developed and assessed on a contract-by-contract basis.</p> <p>Assessment of cross-department expenditure to reduce our supply base and obtain best value, where relevant.</p>	<p>Improvement of VFM through demonstration of efficiencies.</p> <p>% savings, cost avoidance or other efficiencies i.e. cash and non-cash savings</p>
<p><b>Strengthened senior management appreciation of role purpose and value contribution of procurement, along with wider stakeholder buy-in across all campuses</b></p> <p><b>Development of appropriate management information to measure procurement and support performance and value for money achieved by the University.</b></p>	<p>Implementation a suite of quarterly global procurement reports which outline identified opportunities for strategic partnerships and collaboration with industry and savings delivered.</p> <p>Annual savings and benefits reported to Senior Management and stakeholders, including Annual Procurement Report which outlines performance against procurement strategy.</p> <p>Development, implementation and monitoring of effective SLAs/KPIs in respect of procurement function.</p>	<p>Quarterly global procurement reports presented to GOE/UE</p> <p>Annual reports of VFM and cash/non-cash benefits which demonstrate efficiencies.</p> <p>Measures of price reduction; added value, risk reduction, process re-engineering, influenced spend, sustainability, etc. reported</p>
<b>Optimised use of collaborative opportunities by working across all</b>	Scrutinised annual expenditure analysis to identify opportunities for collaborative procurements across Schools/Directorates, campuses, and the public sector.	Number and value of collaborative procurements

<b>campuses, as well as working with neighbouring Institutions and Centre of Expertises (CoEs)</b>	Established network with APUC, other sector consortia and sector representative bodies for collaborative development.	and initiatives across University  Numbers and value of collaborative procurements and initiatives with sector (A, B, and C1) as % of totals
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**To work with academic budget holders and professional services colleagues to deliver optimal value to the learning, research and professional service communities, by embedding an effective co-ordinated and standardised purchasing effort and providing innovative solutions for procurement requirements.**

Outcomes	Main Actions & Commitments	Key Indicators
<b>Savings and efficiencies delivered through streamlined business processes by standardisation and digital transformation, across all campuses</b>  <b>Review and development with optimal exploitation of e-Procurement Tools</b>	<p>Streamline and standardisation of P2P processes using the full functionalities of ERP (and other supporting systems) to deliver efficiencies, supporting the objective 'one HW way' across the three campus countries, including standardising/digitalisation purchase request process.</p> <p>Implementation of a virtual procurement card programme across the University to deliver more efficient administration and management of the card programme.</p> <p>Enhancement of eMarketplace to improve purchasing experience within ERP.</p>	<p>Measured savings from enhanced purchase-to-pay processes</p> <p>Improved value to customers and suppliers by enhanced service and performance</p> <p>Totals of maverick and compliant expenditure in last FY.</p> <p>Benefits/efficiencies reports on: time saved; faster order-to-delivery; purchasers directed to approved suppliers, improving compliance and reducing time sourcing items; reduced costs of stationery, postage, copying and associated admin.</p>
<b>Increased economies of scale by greater collaboration and supplier rationalisation, resulting in savings and efficiencies</b>	<p>Scrutinised annual expenditure analysis to identify opportunities for collaborative procurements across Schools/Directorates and campuses.</p> <p>Improvement of stakeholder communication strategy with procurement information routinely communicated to all stakeholder groups.</p> <p>Enhancement of eMarketplace to improve purchasing experience within ERP.</p>	<p>Decrease of maverick spend / increased contracted spend</p> <p>Reduced # of suppliers</p>
<b>Improved value to customers and suppliers by enhanced performance</b>	<p>Continued delivery of a new category management approach to develop and manage expenditure categories, with a dedicated Category Manager covering key spend areas.</p> <p>Engage openly and positively with all stakeholder groups to deliver a service that supports the University's strategic projects and operational activities of the University, both now and in the future.</p> <p>Procurement information routinely communicated to people who need to know, across all five campuses.</p> <p>Regular scheduled meetings with key stakeholder, across all five campuses.</p> <p>Annual feedback process with University staff and suppliers.</p>	<p>Number of stakeholders that identify Procurement Services as being key to their strategic deliverables</p> <p>Number, frequency of quality communications with key stakeholders</p> <p>Output summary from annual stakeholder and supplier feedback</p>



<p><b>High calibre procurement professional (strategic, operational and administrative) with competency based training and skills development programmes</b></p>	<p>Embed a suite of training modules to improve capability of all staff linked to any form of purchasing activity</p> <p>Ensuring all staff involved in end-to-end purchasing process have received appropriate training on best practice procurement (relevant to their role) including internal governance/policies, Regulated Procurement requirements, University purchasing framework/processes, legislation, T&amp;Cs, supply risk, etc.</p> <p>Conduct analysis of buyers' competencies and skills profiles required and conduct gap analysis.</p>	<p>Suite of training modules developed with forward programme scheduled</p> <p>Number staff who have achieved appropriate training.</p>
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**To engage and develop our supply chains to ensure continued value, managed performance and minimised risk throughout the life of contracts for the benefit of customers, students and our global communities.**

Outcomes	Main Actions & Commitments	Key Indicators
<p><b>Framework for managing key suppliers &amp; contracts, including standard procedures and performance metrics, to mitigate risk and secure service, cost and performance improvement.</b></p>	<p>Adoption a new, robust framework for managing key suppliers &amp; contracts, including standard procedures and performance metrics.</p> <p>Redevelopment of a supply chain risk database/register using digital tools to ensure efficient usage and information sharing.</p> <p>Developing greater commercial capability and expertise for managing contracts within Procurement and across the University, using external networks and support.</p>	<p>Procurement risk register developed and maintained across all campuses</p>
<p><b>Improved performance of suppliers by developing useful procurement management information and undertaking performance reviews.</b></p>	<p>Improved management of contracts and suppliers to ensure they perform over the life of the contact, delivered through the Category Management approach.</p> <p>Management information collated on key suppliers and used to drive compliance and improved performance through contract management.</p> <p>Comparing supplier performance using data from internal audits and benchmarking information from other organisations of a similar size.</p>	<p>Cost reduction</p> <p>Service level improvements reports.</p>
<p><b>Managed supplier relationships leading to the simplification of doing business with the University, managing risk and improving performance and value.</b></p> <p><b>Management and measurement of performance of contracts in line with stakeholder and supplier agreements over the lifetime of the contracts.</b></p>	<p>Contract and supplier management processes applied to high value/high risk contracts, and associated suppliers to secure service improvement and/or opportunities for innovation, delivered through the Category Management approach.</p> <p>Obtaining regular customer and supplier input and feedback, appropriate to each contract.</p>	<p>Improvement of VFM through demonstration of efficiencies</p> <p>Trend analysis through survey process</p> <p>Summary in annual reports</p>

**To drive forward the University's sustainability agenda by prioritising ethical, social and environmental objectives, positively contributing to the University's net zero carbon target and driving economic sustainability through procurement activities.**

Outcomes	Main Actions & Commitments	Key Indicators
<p><b>Contribute to the University's net zero carbon target, outlining activities and monitoring measures for reduction in</b></p>	<p>Development of 'Now To 2030' Procurement Category Action Plans.</p> <p>Apply the prioritisation methodology when developing procurement strategies, specification and evaluation criteria to reduce climate impacts.</p>	<p>'Now To 2030' Procurement Category Action Plans developed and continually updated</p>

<b>climate impacts across all relevant spend areas</b>	Introduce mandatory ESG requirements in tender documentation, with minimum mandatory % for ESG in evaluation criteria, to ensure ESG is a priority when awarding contracts.	Increased number of environmental outcomes recorded and reported
<b>Conduct detailed University supply chain assessments, allowing for a more robust supply chain due diligence process</b>	Implementation of 'Ecovadis' partnership to conduct detailed supply chain audits of the University.	High risk/strategic suppliers of the University audited
<b>Global supply base developed to:</b> <ul style="list-style-type: none"> <li>• promote awareness of sustainability objectives</li> <li>• adopt sustainable approaches in production of goods/services within their own supply chains</li> <li>• improve their performance in relation to sustainability objectives</li> <li>• address barriers to entry of SMEs and local suppliers</li> </ul>	Organise supplier engagement and supplier development sessions to advise on the University's objectives, in each of the areas it operates.  Bi-annual review of commitments listed in Sustainable Procurement Policy to ensure that actions continue to progress, as well as to reflect on future sustainability opportunities.	Improved ethical, social and environmental outcomes recorded and reported  Forward targets and strategies in place for to deliver ethical, social and environmental initiatives
<b>Appropriate use of tools to embed relevant and proportionate sustainability requirements into contracts, encourage good practice and analyse opportunities to maximise social, economic and environmental outcomes through procurement action</b>	Set policy on how ethical, social and environmental sustainability (incl Sustainable Procurement Duty) is incorporated into our procurement activities, across all campuses.  Apply the prioritisation methodology, Flexible Framework, SCM/Ecovadis, etc, to develop action plans, contracting strategies and to focus resources of high risk and/or influenceable commodities.	Number and value of relevant contracts which have requirements that maximise social, economic and environmental outcomes, as % of relevant total  Achievement of Level 3 Flexible Framework
<b>Consideration of whole life costs, environmental and social impacts in assessment of value for money</b>	Embed sustainable procurement in commodity and category strategies, tender documentation & evaluation criteria.  Introduce mandatory ESG requirements in tender documentation, with minimum mandatory % for ESG in evaluation criteria, to ensure ESG is a priority when awarding contracts.	Number and value of contracts with and criteria embedded, as % of relevant total
<b>Reduced demand for goods and services by cutting down on waste, and encouraging re-use and re-cycling and use of the least environmentally damaging goods and services</b>	Development internal training and guidance for student, researchers and staff, in line with the commitments listed in the Sustainable Procurement Policy.  Collaborative relationship with University's Environmental Manager to develop improved procurement activities and practices in relation to environmental sustainability.	Trade waste reduction  % increase in WARPIT
<b>Increased amount SMEs and local businesses bidding for contracts, specific to each of the five campuses</b>	Ensuring tender exercises meet the needs of smaller businesses reflected in the structure of tenders, the use of tender advertising portals, training and information to build capacity.  Publishing a global contracts register to highlight contracts for which suppliers may be interested in bidding.  Increase engagement and communication with suppliers in the regions which the University operates, through various communication methods.	Maintaining target of the proportion of contracts awarded to SMEs in each local area

	Increase the use of 'output specifications' where appropriate, as well as specific and objective award criteria in the evaluation process, to ensure the procurement is accessible to as many bidders as possible.	
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## Annex B: Compliance with the Procurement Reform (Scotland) Act

The following statements confirm, as is legally required, the University's commitment to adhering to the requirements of the Procurement Reform (Scotland) Act. The University considers that these legal requirements strongly and positively align with the University's desire to procure in an appropriate, effective and sustainable manner.

The table below links the requirements of the Procurement Reform (Scotland) Act 2014 to actions in the University's procurement strategy.

Policy Area	University Approach
Use of community benefit requirements	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 Aligning for the Common Good. Such improvements could be implemented through mandated delivery of training opportunities or subcontracting opportunities within the University's operating area. Where relevant and proportionate, the University will also look to include such clauses in procurements below the £4m threshold.
Consulting and engaging with those affected by our procurements	Where appropriate, prior to a procurement exercise, the University will identify and consult with key stakeholders and suppliers affected by the upcoming procurement activity. The Procurement Policy outlines the process for engaging stakeholders. Such consultation will always be on a scale and approach relevant to the procurement in question.
Payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements	The University recognises the values of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. It also recognises that the Scottish Government views the Living Wage as a key indicator of an employer's commitment to fair workplace practices. In the applicable jurisdiction, the University will promote the Living Wage in tender documentation.
Promoting compliance by contractors and sub-contractors with the Health & Safety at Work, Act 1974, and any provision made under that Act	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 should assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the University may also assess such compliance of subcontractors.
Procurement of fairly and ethically traded goods and services	The University 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 Services' Supply Chain Code of Conduct" is embedded in tender documentation.
Our approach to regulated procurements involving the provision of food in order to: improve the health, wellbeing and education of communities in our area promote the highest standards of animal welfare	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. The University will manage our entire catering provision to ensure affordable contracts are put in place, which meet the nutritional requirements for food for all users of our Catering Services.
Ensuring that, so far as is reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented: - Due by the University to a contractor	The University complies 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.

<ul style="list-style-type: none"> <li>- Due by a contractor to a sub-contractor</li> <li>- Due by a sub-contractor to a sub-contractor</li> </ul>	
<p>Ensuring that our regulated procurements will be carried out in compliance with the sustainable procurement duty</p>	<p>As outlined within our Sustainable Procurement Policy, the University is committed to integrating sustainability across all of our procurement activities. We will work with all staff involved in the purchasing of works, goods and services to minimise the University's environmental impact and optimise positive social and economic outcomes. Further, the Procurement Services division will also ensure that regulated procurements are compliant with the Sustainable Procurement Duty.</p> <p>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 University will utilise available tools and systems where appropriate such as Prioritisation, Life Cycle Impact Mapping, Sustainability Test, Flexible Framework, APUC's Code of Conduct, Sustain and Electronics Watch where relevant and proportionate to the scope of the procurement.</p> <p>The University has published its Modern Slavery and Human Trafficking Statement to comply with the Modern Slavery Act 2015.</p>
<p>Ensuring that our regulated procurements will contribute to the carrying out of our functions and achievement of our purpose, and will deliver value for money</p>	<p>The University will analyse third party expenditure, identify 'EU regulated procurements' [goods and services worth more than £181,302, works worth more than £4,551,413] and 'lower value regulated procurements' [goods and services worth more than £50,000, works worth more than £2 million].</p> <p>The University will sort purchasing into procurement categories. Purchasing of goods and services will be subject to annual review. Annual review will allow:</p> <ul style="list-style-type: none"> <li>- Optimal category strategies to be developed and agreed</li> <li>- Sensible aggregation opportunities identified</li> <li>- Most appropriate procurement routes to market chosen</li> <li>- Where appropriate, collaborative contracts will be used to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.</li> <li>- Quality, risk and sustainability factors, along with cost, will inform decisions to award regulated contracts.</li> </ul> <p>The University will ensure that it awards regulated procurements only to businesses that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards and values in the conduct of their business.</p>
<p>Ensuring that our regulated procurements will be carried out in compliance with our duty to treat relevant economic operators equally and without discrimination</p>	<p>Appropriate early engagement will allow the University to understand the market for goods and/or services and potential alternative solutions. The University will conduct all regulated procurements the principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition. The University will take steps to make it easier for smaller businesses to bid for contracts. Legislative constraints preclude preferences for only local suppliers but the local dimension can be addressed through the structure of tenders, the use of Public Contracts Scotland and Quick Quotes, training and information to build capacity, and publishing a contracts register to highlight contracts for which local organisations may be interested in bidding.</p>
<p>Ensuring that that our regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner</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>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>The University shall utilise tendering portals, including PCS and PCS-T, to publish its procurement opportunities and 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>

## Annex C: Glossary

Term	Description
<b>A, B, C and C1 Contracts</b>	<ul style="list-style-type: none"> <li>- Category A: Collaborative Contracts available to all public bodies</li> <li>- Category B: Scottish Government Collaborative Contracts available to public bodies within a specific sector (e.g. Scottish Procurement; APUC and other UK HE Consortia; Scotland Excel; NHS National Procurement)</li> <li>- Category C: Local Contracts for use by individual public bodies</li> <li>- Category C1: Local or regional collaborations between public bodies</li> </ul>
<b>Award Criteria</b>	The criteria (questions) used by the buyer to compare and score the merits of the specific bid for the contract. This must include quality and price.
<b>Category</b>	A collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.
<b>Category Management</b>	Category Management is a strategic approach which organises procurement resources to focus on specific areas of spends. This enables category managers to focus their time and conduct in depth market analysis to fully leverage their procurement decisions on behalf of the whole organisation. The results can be significantly greater than traditional transactional based purchasing methods. (CIPS)
<b>Centre of Expertise (CoE)</b>	Procurement organisations which promote collaboration and publish framework agreements on behalf of particular sectors i.e. Scotland Excel for local authorities (councils); Advanced Procurement for Universities and Councils (APUC) for higher and further education; NHS National Procurement (NSS) for Health; Scottish Procurement for the Scottish Government, its agencies and non-departmental public bodies
<b>Collaboration</b>	When two or more groups of people or organisations engage in procurement work together for mutual benefit
<b>Community Benefits</b>	Requirements that deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental benefits. Community Benefits clauses are requirements that deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.
<b>Contract Award Notice</b>	A publication that confirms the details of a contract that has been awarded to a supplier.
<b>Contract Management</b>	The process of monitoring supplier performance on a contract.
<b>Contract Notice</b>	A publication that advertises a procurement requirement.
<b>Contract Value</b>	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value is £150k. The contract value should include any extension periods.
<b>Contracts Register</b>	This typically provides details of the procurement exercise to capture key information about the contract (the goods and services, values, date started, expiry date, procurement category etc.).
<b>Cost Avoidance</b>	The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially affects the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.
<b>Flexible Framework</b>	The Flexible Framework is a widely used self- assessment mechanism developed by the business-led Sustainable Procurement Task Force, which allows organisations to measure and monitor their progress on sustainable procurement over time.
<b>Framework Agreement</b>	An agreement or other arrangement between one or more authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
<b>GPA Thresholds</b>	The rules by which a public sector buyer runs their procurement exercise (including the procurement process used) is in part dictated by the thresholds that the GPA update every 2 years in January.

<b>Non-Regulated Procurement</b>	A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.
<b>Official Journal of the European Union (OJEU)</b>	The means by which procurement exercises over a certain value are published throughout Europe. In Scotland all procurements that are published via Public Contracts Scotland, and meet this threshold requirement, will be automatically published in OJEU within 48 hours.
<b>Output Specification</b>	The specification requirements set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.
<b>PCS-Tender</b>	An on-line e-sourcing tool which some public sector bodies in Scotland use to for their procurement exercises i.e., to publish their documents and for organisations to provide their responses in.
<b>Procurement &amp; Commercial Improvement Programme (PCIP)</b>	The Procurement & Commercial Improvement Programme replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.
<b>Procurement Division (or Function)</b>	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
<b>Procurement Exercise</b>	Full end to end procurement exercise from strategy development to contract & supplier management.
<b>Procurement Journey</b>	Public procurement website containing guidance for public sector buyers.
<b>Procurement Strategy</b>	It is mandatory for a public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
<b>Public Contracts Scotland (PCS)</b>	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
<b>Public Sector or Public Sector Body</b>	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
<b>Quotation/Quick Quote</b>	A process used by public sector buyers in Public Contracts Scotland to advertise low value/low risk procurement requirements (normally under £50k in value).
<b>Re-Let Procurement</b>	The process for re-tendering a continuing requirement.
<b>Regulated Procurement</b>	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract (Procurement reform Act Scotland)
<b>Selection Criteria</b>	Selection Criteria (questions) are used to confirm if you are capable and suitable to perform the contract if it were to be awarded to you. Selection Criteria focus on the bidder and asks for past or existing bidder information.
<b>Small Med Enterprise (SME)</b>	The category of micro, small and Med-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro. Encompass – <ul style="list-style-type: none"> <li>- Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.</li> <li>- Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.</li> <li>- Med enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.</li> </ul>
<b>Social Enterprises</b>	Revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

<b>Specification</b>	How a Procurement Officer details what is required for the procurement of the goods or services being purchased.
<b>Stakeholder</b>	Any person or group who has a vested interest in the success of the procurement activity, i.e., either provides services to it, or receives services from it.
<b>Supply Chain</b>	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
<b>Supply Chain Management</b>	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
<b>Supported Business</b>	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
<b>SCM (Supply Chain Management) Portal</b>	The APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain
<b>Sustainable Procurement</b>	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not
<b>Tender</b>	The term used to describe the procurement process of advertising, requesting and awarding a contract.
<b>Value for Money</b>	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
<b>Whole Life Costing</b>	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.