



Scottish Environment Protection Agency
Procurement Strategy
2013-2015

1. Introduction

The aim of this strategy is to provide high-level guidance on the objectives of the Procurement Department in line with SEPA's organisational objectives.

SEPA's Corporate Plan identifies four outcomes to be achieved during the five years of the Plan:-

- Scotland's Environment is protected and improving
- Scotland's Environment is understood and SEPA is a respected and influential authority
- Scotland is preparing for a sustainable future and is taking steps to tackle Climate Change
- SEPA is a high performance organisation

The strategic objectives for the organisation that underpin the four outcomes include:

- Act to combat climate change
- Champion sustainable resource use
- Demonstrate excellent environmental performance
- Promote the benefits of a good environment
- Develop innovative partnerships
- Find creative and flexible solutions

SEPA's Change Agenda is about making changes to the way SEPA operates so that we can become better and more efficient at protecting Scotland's environment for our customers, stakeholders, partners and also our economy. It is also about making sure we are in a position to operate effectively within a lower budget. We must be in a position to do more with less and to achieve greater value for money throughout the Agency. The new organisational business model focuses on identifying and resolving priority problems using inter-disciplinary teams, working closely with external stakeholders. This approach aims to ensure that SEPA is in a position to respond and adapt quickly and effectively to changing circumstances, including corporate priorities, working practices and workforce plans.

2. Objectives

This Procurement Strategy is part of SEPA's ongoing drive to be more flexible, more responsive and more innovative, to do a better job at a lower cost. There are clear financial pressures resulting from the current economic climate, however, we must not let the environment suffer as a result. The Procurement Department is committed to ensuring that SEPA meets its corporate objectives ensuring that we are a high performance organisation which delivers excellent customer service and achieves high standards.

As noted in the Procurement element of the Portfolio Business Plan for 2013-2014, Procurement will provide an efficient, compliant Procurement service that:

- Maximises SEPA resources whilst ensuring legislative compliance
- Is customer focussed and
- Meets SEPA's ambitions to lead on environmental aspects

The Strategic Objectives of the Procurement Department are to:-

- promote the delivery of value for money through good procurement practice.
- develop appropriate management information in order to measure performance.
- embed sound ethical, social and environmental policies to comply with all relevant regulations in all aspects of procurement
- achieve effective partnership working.
- increase the sustainable element of the Technical Assessment Criteria of Tenders to 25%
- continue to seek efficiencies and effectiveness as measured through the Scottish Government Procurement Capability Assessment Process.

These objectives will be achieved by focusing on a number of key aims:

- Reduce costs with improved efficiency and effectiveness
- Develop flexible contracts which provide maximum benefits to the organisation and assist key business areas to identify the right secure solutions
- Influence both SEPA and the wider public sector to deliver goods and services as sustainably as practical by becoming a leader in the area of sustainable procurement.
- Develop sourcing strategies which encourage contracts with SME's.
- Increase the usage of collaborative national contracts, and assist other organisations to procure by sharing best practice
- Educate internal and external customers
- Maintain compliance with EU regulations, Scottish Government policy and internal processes with an educated procurement function
- Improve contract management

2.1. Aim 1

Reduce Costs with improved efficiency and effectiveness

SEPA anticipates operating within a reducing budget and the department will continue to evaluate tenders using the 'most economically advantageous tender' method, endeavouring to maintain or increase value for money. This involves the use of a range of criteria including cost, technical merit, running costs and sustainability within a scoring matrix –link here to [Evaluation Matrix](#).

A key area in which Procurement will contribute to reducing costs is through management information and increasing the analysis of organisational spend. On a monthly basis, the department publishes a report of Contracts awarded and savings to budget, along with spend under each Portfolio. This information is included within the Procurement Monthly Report that is submitted to the Resources Management Team, (RMT). Additionally, the information is published monthly on the Procurement Intranet site and finally included in the Annual Report to the RMT and the Agency Management Team, (AMT).

Reporting from Finance will be expanded to include commodity spend, by Portfolio, for dissemination to key managers on a quarterly basis ensuring that each Portfolio has up to date records of their expenditure and can manage this accordingly.

Effective spend management is key to reducing maverick spend and by working with key Managers to identify areas where spend should be aggregated and competitively tendered can result in cost reductions through economies of scale whilst ensuring compliance with EU Procurement Regulations. Procurement will continue to lead within the business to promote procurement best

practice and to implement compliant and effective contract management.

The Department is committed to ensuring that the procurement of supplies, services and works is carried out to the highest standard and that efficiencies set out in this Strategy are achieved in accordance with SEPA’s internal SFI’s.

The Procurement Department currently operates the following Service Level Agreements:

Invitation to tender issued from expiry of advert deadline and/or receipt of final tender documentation	5 working days
Tender opening	24 hours
Tender returns to customer	2 working days
Up to date contract list available on Intranet	10th Working day each month

The current internal department targets include:

- Consistently strive to influence cash and non-cash savings through best practice procurement led activity and tracked in the Procurement Monthly Report
- Ensure documents and processes meet appropriate quality standards and requirements
- Influence all contracts with environmental and sustainable criteria, where applicable and record and report environmental gains.

Over the period of this strategy the Procurement Department will aim to improve efficiency and effectiveness by setting more challenging targets to maximise ‘added value’ by the procurement team.

2.2. Aim 2

Develop flexible contracts which provide maximum benefits to the organisation and which assist key business areas to identify the most appropriate secure solution.

Further cost reductions can be achieved by ensuring that contracts put in place appropriately deal with the day to day needs of the organisation. Wherever possible we aim to use collaborative contracts which benefit from economies of scale, though it is recognised that in certain situations the purchasing requirement may be unique to SEPA.

2.3. Aim 3

Influence both SEPA and the wider public sector to deliver goods and services sustainably by becoming a leader in the area of sustainable procurement

SEPA is currently represented on Cluster 2, ensuring that the organisation has a strategic influence in the formation of procurement policy, whilst ensuring that we are kept abreast of developments in Procurement Best Practice.

All procurement activity is undertaken with consideration for the environmental and social aspects of procurement by extending the principles of sustainable development to all Suppliers and Contractors. SEPA’s Procurement Department is committed to becoming a leader in sustainable procurement amongst the Scottish public sector organisations.

In October 2009, John Swinney MSP, launched the Sustainable Procurement Action Plan for Scotland. The plan includes ten steps to assist public sector organisations to meet their needs for procuring sustainably. SEPA has made a public organisational wide commitment to meeting the deadlines set out in this plan. The Sustainable Procurement Action plan includes using the Flexible Framework, designed to measure an organisations' progress towards sustainable purchasing. Progress will be measured in the annual Procurement Capability Assessment and through the Best Practice Indicators.

SEPA is committed to progress the implementation of the Scottish Sustainable Procurement Action Plan in a consistent manner against the documented delivery plan. The status will be communicated bi-annually and will be underpinned by the annual Procurement Capability Assessment.

Currently, a minimum of 5% sustainability criteria is included in the Technical Assessment of Tenders in all tender processes. We will aim to increase this percentage from 2013 where suitable, in line with SEPA's strategic outcomes, ensuring that Scotland is prepared for a sustainable future and we are contributing to the steps taken to limit climate change.

2.4. Aim 4

Develop sourcing strategies which encourage contracts with Small to Medium sized enterprises.

The Procurement Department recognises the importance of small to medium size enterprises to the Scottish economy. As part of the Sustainable Procurement Action Plan, SEPA has signed up the Suppliers Charter and we are committed to ensuring that all procurement activities are conducted in adherence with these principles.

We are committed to ensuring that they are given an equally opportunity to bid for SEPA contracts, by advertising all contract opportunities over £50,000 on the Public Contracts Scotland portal.

SEPA has now published a new simplified set of Terms and Conditions effective from October 2010, which aim to improve accessibility to SEPA contracts to smaller organisations.

2.5. Aim 5

Increase the usage of collaborative national contracts, and assist other organisations to procure.

One of the recommendations of the McClelland Report was to improve collaborative procurement by the creation of national centres of procurement expertise. This has now been done and national contracts have been implemented which achieve value for money through economies of scale. To take advantage of these potential gains SEPA already utilises these contracts and is committed to continuing this wherever possible. To access, go to the - [Collaborative Contracts Index](#) and click Contracts.

Given SEPA's specific data security requirements, SEPA will endeavour, wherever possible to explore data security issues early in any collaborative procurement exercise in order to ensure that they meet SEPA's needs or allow sufficient time to undertake an alternative procurement exercise.

We will maximise opportunities to work with other public sector bodies that will in turn maximise the benefits from SEPA's expenditure. This will be achieved by contacting other public sector organisations at the start of an appropriate tender process to gauge interest, and joint participation will ensure value for money for both organisations and best use of the public purse.

2.6. Aim 6

Maintain compliance with EU regulations, Scottish Government policy and internal processes by educating internal and external customers with an educated procurement function.

It is recognised that the procurement landscape is continually changing, eg, by the introduction of new the EU Directives into Scottish Law in the first quarter of 2014.

The Procurement Department is committed to ensuring that all staff participate in Continuing Professional Development, (CPD) and are knowledgeable of current and pending applicable procurement law to mitigate any potential organisational risk of non-compliance. Procurement staff will continue to be well informed of emergent new regulations and policies by attending training courses and by access to Scottish Procurement Policy Notes.

In order to maximise the impact which the procurement function has on ensuring that the organisations' objectives are met and that spend is more actively controlled the department must raise its profile amongst both internal and external stakeholders.

It is recognised that there are many staff within SEPA out with the Procurement Department who have procurement responsibilities that are not adequately trained to carry out these duties. The Department will continue to educate all staff who are involved in purchasing decisions and processes to ensure that they are familiar with good purchasing practice and are following the procurement guidelines and operating within EU legislation.

The Department will publish a supplier engagement programme to receive feedback from its key suppliers. This will be done in conjunction with the current 'meet the buyer' events that are attended by the department and in addition to the supplier questionnaires that are to be issued by the Scottish government as part of the Best Practice Indicators.

One of the key recommendations in the McClelland Review was to ensure that all procurement staff should be appropriately qualified for the level of procurement spend for which they are responsible.

Currently all staff in the section are undertaking Chartered Institute of Purchasing, (CIPS) training with a view to becoming qualified purchasing professionals.

All procurement staff will supplement CIPS training with other public sector relevant training courses to ensure that they fully up to date with developments in EU procurement legislation as well as current guidance issued by the Scottish Government.

2.7. Aim 7

Improved contract management.

For any contracts that are over the Official Journal of the European Union, (OJEU), threshold, the Department will develop a post-award contract management strategy, which will be decided in the project planning phase. This will ensure that all high value, high risk contracts are continuously monitored and managed throughout the project life cycle, which will mitigate risk to the organisation.

The Department will conduct a detailed expenditure analysis in conjunction with the annual data submitted to the Scottish Government's information gathering hub, Spikes Cavell. This analysis will be used to develop a contract management strategy for all suppliers with high value spend which will reduce maverick/uncontrolled spend and risk to the organisation.

The procurement team will conduct quarterly meetings with the key stakeholders in each Portfolio to review spend over the last period and forward plan for any upcoming procurement processes and receive feedback on performance over the last period.

3. Review

This Strategy will be reviewed and updated annually to ensure that it remains in line with business needs.