



Scottish Environment Protection Agency
Procurement Strategy
2016-2022

September 2016

1. Introduction

The aim of this strategy is to provide high-level guidance on SEPA's procurement objectives.

SEPA exists to protect and improve the environment in ways that, as far as possible, also help create health and wellbeing benefits and sustainable economic growth.

SEPA's Corporate Plan identifies four outcomes:

- Scotland is thriving in a low carbon world
- Scotland's businesses are prospering from better environmental performance
- The impact of flooding is reducing
- People benefit from Scotland's improving environment.

The Corporate Plan outlines how we will work to deliver these outcomes and sets out the five key strategies that underpin it. The Procurement Strategy underpins the delivery of all five key strategies.

SEPA is redefining what it does to meet the 21st century global challenge of living within planetary constraints. For SEPA this will be about focussing its efforts on core services: environmental regulation and flooding. SEPA will work in collaboration, bringing the right people together to deliver innovative solutions for the people of Scotland.

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.

SEPA's procurement activities will be undertaken following the organisational characteristics:

- Procurement decisions will be based on evidence, promote the delivery of value for money and improve SEPA's environmental impact.
- Procurement options will include innovative and collaborative ways of working wherever possible.
- SEPA will undertake its procurement activities in ways that make them accessible for Small to Medium Enterprises (SME) and local business, to promote economic sustainability.

These objectives will be achieved by focusing on four key aims:

1. Improve sustainability evaluation undertaken when awarding contracts and managing contracts.
2. Increase the use of collaborative national contracts.
3. Improve procurement capability across SEPA, by delivering training to staff involved

in purchasing and monitoring contracts.

4. Maintain processes and procedures to ensure SEPA is compliant with European Union (EU) regulations and Scottish Government policy.

Effective spend management is key to reducing costs and by working with managers to identify areas where spend should be aggregated and competitively tendered, costs can be reduced, 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. Annex 1 provides an analysis of purchasing activities in 2014/16 and the expected level of purchasing by SEPA from 2014 through to 2022.

Aim 1 - Improve sustainability evaluation undertaken when awarding contracts and managing contracts.

Procurement will continue to work with staff to identify meaningful, ethical, social and environmental evaluation and monitoring criteria in all SEPA's procurement activities.

Outcome 1: Year 1 – Procurement will develop a template to assess lifecycle cost for all Official Journal of the European Union (OJEU) tenders. Lifecycle costs evaluation will become part of the 10% mandatory sustainability score.

Year 2 Lifecycle costing will be rolled out to all tenders over £100k.

Outcome 2: Year 1 onwards – collect environmental data from contracts let in 2016/17, on the environmental impact of services supplied by the contractor to SEPA.

Year 2 onwards – to work with three contractors to help reduce their environmental impact.

Outcome 3: Year 2 onwards - for contracts over £4m, identify community benefit criteria that are proportionate to the contract being tendered. This will be evaluated as part of the mandatory 10% sustainability score.

Aim 2 - Increase the use of collaborative national contracts,

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 this information, go to [Collaborative Contracts](#) and click Contracts.

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.

Outcome 1: Year 1 onwards - continue to seek national contract solutions whenever possible.

Aim 3 - Improve procurement capability across SEPA, by delivering training to staff involved in purchasing. Develop contract monitoring capability across SEPA.

There are many staff within SEPA out with the Procurement Department who have purchasing responsibilities. The department will continue to provide training when requested, easy to read guidance and helpdesk support for staff.

Procurement Continuous Improvement Programme (PCIP) 2016 highlighted the need to improve contract management across SEPA. 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.

Outcome 1: Year 1 onward - for any contracts that are over the OJEU threshold, the Procurement Department will develop a post-award contract management strategy, which will be agreed in the project planning phase.

Outcome 2: Year 1 onward - collect data on contract performance to inform future procurement activity.

Outcome 3: Year 1 – Procurement Department working with Learning and Development team will provide contract management training for contract managers.

Aim 4 - Maintain processes and procedures to ensure SEPA is compliant with EU regulations and Scottish Government policy.

SEPA will need to implement the changes to procurement rules resulting from the Procurement Reform (Scotland) Act 2014 (the Act) by 1 April 2017. It also needs to address the areas for improvement as outlined in the PCIP assessment undertaken in April 2016.

Procurement Reform (Scotland) Act 2014 (the Act)

To ensure compliance with the guidance issued by Scottish Government, SEPA will need to engage with all key stakeholders for contracts over £50k and have a clear commodity strategy for all contracts over OJEU limits. SEPA will review its existing processes, procedures and guidance for staff to ensure they reflect policy requirement to facilitate the involvement of SME's, third sector bodies and supported businesses and promote innovation. Our current documents already encompass sustainability assessment measures and are mandatory – representing 10% of the evaluation score. This section will be broadened to cover life cycle impact mapping and community benefits.

The Act requires SEPA to consult and engage (in a proportionate manner) stakeholders on its Procurement Strategy.

SEPA's current procurement process and procedure already cover the Act requirements for the payment of living wage, compliance with Health and Safety at work, fairly and ethically sourced goods and equalities. SEPA complies with Scottish Governments requirements to pay undisputed supplier invoices within 10 days.

The Procurement Department recognises the importance of small to medium size enterprises to the Scottish economy. SEPA has signed up to 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 SME's are given an equal opportunity to bid for SEPA contracts, by advertising all contract opportunities over £50,000 on the Public Contracts Scotland portal.

Outcome 1: Year 1 - SEPA will engage with suppliers of OJEU contracts and other major stakeholders to receive feedback on their experience of tendering and ongoing contract management.

Outcome 2: Year 1 – SEPA will engage with some of its SME suppliers to get their feedback on how procurement can improve their engagement with them.

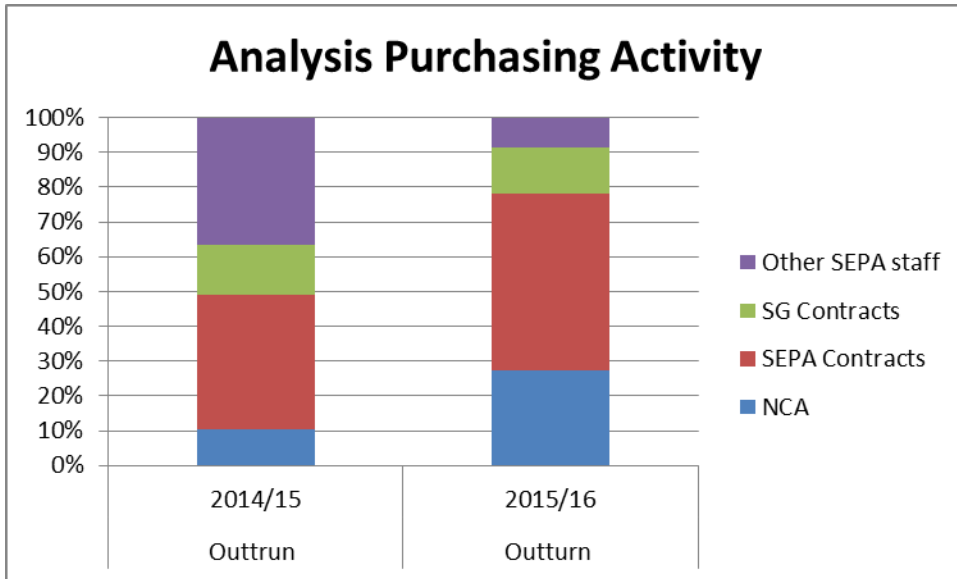
Outcome 3: Year 1 – Procurement will engage with internal stakeholders to receive feedback on the SEPA Procurement Strategy 2016-2022. This feedback will be used to inform the revision of this strategy.

Year 2 - SEPA's Procurement Strategy will be revised following stakeholder feedback.

Outcome 4: Year 2 onwards – SEPA will be fully compliant with the Act.

Annex 1:

SEPA Purchasing Activity 2014/2016



44% SEPA's Suppliers classified as SME's in 2015/16

Expected expenditure on purchasing activities over the next 5 years

