



Advanced Procurement
for Universities & Colleges

APUC Operational Procurement Strategy and Action Plan

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Owner	Head of Operational Procurement and Compliance
Consultation	Based on Member Stakeholder Dialogue
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1. Introduction

This Advanced Procurement for Universities and Colleges (APUC) Operational Procurement Strategy is aligned with the corporate aims and objectives of APUC, established collaborative initiatives and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014. The Strategy is established through engagement with different stakeholder groups within the Higher Education and Further Education (HE/FE) Sectors using a variety of group forums and smaller meetings. Through this consultation, APUC's Operational Procurement strategy benefits from exposure to both internal and external scrutiny. This strengthens the understanding of the Strategy and the prospect of achievement of its policies, aims and objectives. This Strategy was reviewed and approved by the Chief Executive of APUC and the APUC Board in July 2022.

Note that due to high levels of volatility and disruption being caused by the ongoing Covid-19 situation and the war between Russia and Ukraine, which is expected to continue, many aspects of this strategy may be subject to change in order that APUC may dynamically adapt to best support its member institutions deal with these challenges. Due to the uncertainty and lack of predictability of impacts related to these factors, the actions to deal with them have not been specifically set out in this strategy but are instead being managed via the relevant established channels of activity management.

2. Core Vision and Mission Statement

APUC is committed to obtaining value for money in all of its Framework Agreements and transactions, and in conducting its daily business, staff must consider APUC's wider responsibilities in terms of legal, ethical, social, economic and environmental impact. Effective operational procurement will support APUC's key objectives across these important operational dimensions.

The Core Vision and Mission Statement of APUC is ***“To maximise the value of Scotland's investment in further and higher education by working in partnership with institutions to support and enable sustainable innovation in procurement and shared service optimisation”***.

3. Strategic and Operational Context

This Strategy sets out the strategic approach to operational procurement within a challenging economic, legislative and regulatory environment. The Strategy is used in conjunction with APUC's delivery plans and overarching corporate Strategy to 2027 and beyond.

APUC is one of the Centres of Expertise (CoE) formed as a result of the McClelland Review of Public Procurement in Scotland, published in March 2006. APUC was formed in 2007, is owned and controlled by all of Scotland's Universities and Colleges. APUC conducts procurement processes across a broad range of products and services and enters into collaborative Framework Agreements for its members to access. APUC is the key link between the HE/FE sector and Scottish Government in taking forward the Public Procurement in Scotland Programme in ways that are supportive to the priorities and structure of the institutional clients. APUC carries out the dual role of representing and enhancing the interests of the client community in procurement matters including taking the lead role in furthering procurement improvements / development and implementation within the HE and FE sectors as well as supporting these sectors in playing their part in implementing relevant government policy around procurement reform.

With regard to Public Procurement in Scotland, APUC works closely with the other sectoral CoE's. These are NHS National Procurement, Scotland Excel (for Local Authorities) and the Government's Scottish Procurement and Commercial Directorate (representing Central Government and NDPB's). This collaborative effort is directed towards the delivery of what is known as the Scottish Model of Procurement, which defines value for money as the best balance of cost, quality and sustainability which is reflected throughout strategy development, reporting and procurement processes. In addition to this, APUC works collaboratively with all of the other UK regional / specialist HE/FE

purchasing consortia (TUCO, TEC, SUPC, LUPC, NWUPC, NEUPC and HEPCW) to ensure best practice, drive value for money and obtain added benefits for our client institutions. APUC will seek to maintain collaborative relationships with other consortia whilst they implement and adapt to new procurement legislation being put in place in the rest of the UK.

The APUC client institution community has clear service expectations. These expectations form the core scope of APUC's responsibilities and strategic operations and have been arrived at and developed through regular dialogue with senior stakeholders within every client institution in Scotland and the key stakeholders across the Public Procurement Reform Programme / Public Procurement in Scotland.

4. Strategic Procurement Objectives

In order to maintain an optimised, comprehensive service to client institutions, APUC operates through workstreams. The two procurement workstreams focussed on in this Operational Procurement Strategy are Collaborative Contracting (including Responsible Procurement) and Institutional Procurement Services with specialist enabling workstreams to enhance the delivery of procurement including eSolutions and HR & Operations.

Procurement Workstreams overview:

- **Collaborative Contracting:** This team provides and contract manages a suite of appropriate Framework Agreements driven by Institution's requirements and needs, informed by user intelligence groups, the sector's Procurement Strategy Groups (PSG), supplier involvement and the annual Contracting Priorities Workshop. This is facilitated by an account management approach. Collaborative Contracting operates on a category management basis focussing on Estates, Information Services, Labs and Professional Services & HR. Other specialist supporting areas within Collaborative Contracting include Responsible Procurement which manage APUC's sustainable / responsible procurement programme and overseas developments in processes, legislation and policy to disseminate best practice information and provide procurement training content for client institutions and APUC Supply Chain procurement managers. The Responsible Procurement team offers a tailored service to institutions to assist in implementing Responsible Procurement in institutional / category plans and tenders covering aspects such as climate change, pollution risk and human rights / modern slavery.
- **Institutional Procurement Services:** This is generally a specifically funded team, funded by the specific institutions consuming the relevant services. It aims to provide operational and strategic shared procurement service delivery for client institutions. This is either as an embedded procurement team leading the procurement service for the institution (staffed by APUC), APUC staff operating under local management, or in the form of an account managed service for institutions to provide tender support for high value/regulated tenders, instilling best practice through procurement policies/processes and ad hoc support and assistance as required.

The main specialist enabling workstreams are:

- **eSolutions:** Providing eTools to enable (APUC) Collaborative Contracting and member institutional procurement teams across Scotland to most effectively undertake their roles. This includes systems such as an in-house client interface solution to ensure that all procurement data can be obtained from a single portal, collaborative opportunities can be identified, contract registers can be created in line with the Procurement Reform (Scotland) Act 2014 and procurements can be advertised in an open, fair and transparent manner.

- **HR & Operations:** Aims to manage and deliver the HE/FE sector's procurement training programme for all its procurement professionals, the sectors' trainee/graduate programme, as well as provide the internal services for HR. Communications general operations for APUC.

These workstreams take responsibility, both singly and jointly for activities that underpin six spheres of delivery.

- Key enablement & optimised routes of delivery
- Value for money & resilience
- Climate & ecological emergency & responsible supply chains
- Capability & continuous improvement
- Fair work & economic wellbeing
- Maximising value through developing opportunities

5. Compliance with the Procurement Reform (Scotland) Act 2014

The inclusion of the following statements in APUC's Operational Procurement Strategy is included to demonstrate how APUC will deliver the requirements of the Procurement Reform (Scotland) Act 2014.

Statement on APUC's general policy on the use of community benefit requirements

For every relevant procurement over £4m, APUC will consider community benefits in all of its Framework Agreements on a proportionate basis. This will include, whenever feasible, ensuring that an Institution undertaking a call-off can capture community benefits which are directly applicable to them. APUC gather best practice and work cross-sectorally to help deliver community benefits.

Statement on APUC's general policy on consulting and engaging with those affected by its procurements

For each relevant procurement, APUC will consider, as appropriate, the community affected by the resultant Framework Agreement and ensure, where possible and appropriate, that any affected Institutions/persons are consulted. Such consultation will always be on a scale and approach relevant to the procurement in question. APUC undertake an annual Contracting Priorities Workshop (CPW) to determine its contracting programme for Cat A, B and where appropriate regional and / or technical Cat C1 requirements and holds quarterly Procurement Strategy Group meetings with the University and College sectors to ensure their needs and requirements are being met. APUC holds an annual Procurement Network Conference to share best practice and to provide continuous professional development to colleagues in the sector.

Statement on APUC's general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

APUC recognises the values of and supports actions to enable a well-motivated and dedicated workforce both in its own organisation and in those of its clients and suppliers. Where relevant and proportionate, APUC will address fair work practices of suppliers when carrying out a procurement exercise. This will include the application of the Living Wage. Payment of the real Living Wage is a significant indicator of an employer's commitment to fair work practices. APUC will monitor and record which contracted suppliers pay the Living Wage through its Supply Chain Management (SCM) Responsible Procurement tool (Section 1), as well as reporting progress in its annual procurement report.

Statement on APUC's general policy on promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 (c.37) and any provision made under that Act

APUC 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 Framework Agreement by Framework Agreement basis, APUC will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Compliance is mandated in the APUC standard Terms and Conditions and continuing compliance is managed through ongoing Contract Management activity. Where proportionate, APUC may consider assessing sub-contractors compliance of specific legislation.

Statement on APUC's general policy on the procurement of fairly and ethically traded goods and services

Wherever relevant and possible APUC shall make use of appropriate standards and labels and/or its underlying criteria in its procurements to maximise incorporation of fair and ethical trading considerations and will consider equivalent offerings from suppliers in its tenders and maximise the use of lifecycle costing. APUC will also encourage use of Framework Agreement conditions that provide assurances on fair and ethical supply chains.

Statement on APUC's general policy on how it intends its approach to regulated procurements involving the provision of food to: improve the health, wellbeing and education of communities in the organisation's area; and promote the highest standards of animal welfare

APUC aims to facilitate the supply of healthy, fresh, seasonal, and sustainably grown and ethically harvested 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. Where appropriate, APUC will embed standards/labels underlying criteria in tender documentation and will work closely with its internal Responsible Procurement team, and external CoE's and UK HE/FE Consortia to ensure similar requirements are flowed out nationally to create standardisation and to ensure compliance.

Statement on APUC's general policy on how it intends to ensure 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

- **Payments due by the authority to a contractor.**
- **Payments due by a contractor to a sub-contractor.**
- **Payments due by a sub-contractor to a sub-contractor**

APUC will address prompt payment in the supply chain in line with all regulatory requirements. APUC recognises the importance of prompt payment to the sustainability and resilience of supply chains. Prompt payment will be addressed at the selection and award stages, as well as in our standard terms and conditions, and through contract management.. APUC complies with the Late Payment requirements and will review on a Framework Agreement by Framework Agreement basis whether such obligations are relevant and should be enforced and monitored further down its supply chain.

Statement on APUC's general policy on how it intends to ensure that its regulated procurements will be carried out in compliance with the Sustainable Procurement Duty

APUC 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 activity will be made, where appropriate and on a Framework Agreement by Framework Agreement basis and embedded where appropriate. APUC will utilise available tools and systems such as various prioritisation tools, Life Cycle Impact Mapping, the Sustainability Test, the Flexible Framework, the Sustain Supply Chain Code of Conduct, the SCM Responsible Procurement Tool (Section 1), as well as supply chain deep-dive services and Electronics Watch where relevant and proportionate to the scope of the procurement.

In addressing the climate emergency, APUC have put in place a Responsible Procurement Climate Action Plan (RPCAP) for its Collaborative Procurement activity to consider all responsible procurement requirements across each category which includes focussing on addressing the Climate and Ecological Emergency and its impacts. APUC have also updated and re-published

category specific Responsible Procurement Supply Chain guides which provide guidance on responsible procurement issues based on category and commodity specific prioritisation. Moving forward it will be explored on how to align these to the Primary Impact Areas of Climate Change (PIACC) guides. Furthermore, APUC have completed FNT2030 category action plan templates for all relevant PIACC areas to assist with the planning and implementation of action on dealing with the Climate and Ecological Emergency. The Responsible Procurement team have been holding workshops to assist institutions with their FNT2030 action plans. APUC will monitor and record how procurement has contributed to the global climate emergency through its Supply Chain Management (SCM) Responsible Procurement tool (Section 1), as well as reporting progress in its annual procurement report

Statement on APUC's policy on how it intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose.

APUC will analyse its client Institutions expenditure to identify opportunities for collaboration. The Collaborative Contracting workstream has a category management structure in place to deliver Framework Agreements to meet the sector's requirements. It has highly competent procurement professionals to ensure compliance with the Regulations and the Procurement Reform (Scotland) Act and support from within Collaborative Contracting on responsible procurement, processes, legislation and policy for guidance and training and eSolutions for systems and tools. The Collaborative Contracting team work with other HE/FE Consortia across the UK and across sector CoE's in Scotland to deliver collaboration, best practice and added value benefits. All this assists in the delivery of APUC's strategic objectives.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will deliver value for money.

APUC will facilitate the use of collaborative contracting arrangements (e.g. UK HE/FE, national, sectoral or local Framework Agreements) to deliver improved contract terms, contract and supplier management, responsible procurement outcomes and value for money. APUC operates and reports under the Scottish Cross-Sector and UKUPC Procurement Benefits Methodology Reporting Guidance which is used on a cross-sector Scotland wide and UK HE/FE sectors basis to demonstrate both cash and non-cash/efficiency savings. APUC is also part of the Scottish cross sector Collaborative Leads Group (CLG) and the UK HE/FE Joint Contracting Group (JCG) which focuses on collaborative working at a Cat A, Cat B and where appropriate Cat C1 level to ensure best practice and to drive benefits. Key stakeholders both internal and external are consulted with at all appropriate times to ensure aims and objectives are being achieved.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination.

APUC will conduct all regulated procurements in compliance with the Regulations demonstrating equal treatment, non-discrimination, transparency, proportionality and mutual recognition. APUC will utilise portals including Public Contracts Scotland (PCS) and Public Contracts Scotland -Tender (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. In addition, APUC uses an online evaluation portal to ensure tender responses are evaluated in a fair and transparent manner.

APUC will ensure that it awards regulated procurements only to businesses (and sub-contractors) that are capable, reliable and, where relevant, that can demonstrate that they meet high ethical standards and values in the conduct of their business.

APUC takes steps to make it easier for smaller businesses to bid for Framework Agreements. Legislative constraints preclude preferences for only local suppliers but the local dimension can be addressed through the structure of tenders, the use of PCS and training.

Statement on APUC's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner.

APUC will make appropriate use of collaborative contracting arrangements (e.g. UK HE/FE, national, sectoral or local framework agreements or contracts) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money.

As noted earlier, APUC will utilise 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. In addition, as noted before, APUC will use an online evaluation portal to ensure tender responses are evaluated in a fair and transparent manner.

In addition, APUC acts in an open, fair and transparent manner by publishing its contracting plan on its website, making documentation available to its clients on the Buyers Portal and issuing its forward plan on the Scottish Government website. APUC encourages the use of PINs to test the market where relevant and appropriate and holds Meet the Buyer events where relevant to encourage supplier engagement. APUC also attends wider events such as the supplier development programme and Procurex conference.

Statement on APUC's contribution to the global climate emergency response

In response to the global climate emergency APUC will align corporate commitments to work towards net zero greenhouse gas emissions framework agreements wherever possible by 2030 and is working with the sector collaboratively to achieve this.

APUC has coordinated development of the University and College Sectors Supply Chain Climate and Ecological Emergency Strategy on behalf of the Scottish University and College Sectors.

APUC has a strong focus on supporting responsible procurement, in particular on climate and circular economy. APUC will seek to monitor and report progress through the annual procurement report

6. Annual Reporting

APUC will produce an annual report on progress against its procurement objectives and publish this on APUC's website. This report, produced as soon as practicable after the end of each academic year, will describe how APUC has met its obligations under the 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 -

- 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 APUC's Operational Procurement strategy,
- to the extent that any regulated procurements did not comply, a statement of how APUC 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 APUC expects to commence in the next two financial years,
- a summary of the work APUC is doing across a variety of areas of sustainable / responsible procurement, including a focus on addressing climate change impacts in our supply chain,
- such other information as the Scottish Ministers may by order specify.

7. Strategic Ownership and Contact Details

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APPENDIX 1 – ACTION PLAN

Note that due to high levels of volatility and disruption being caused by Covid-19 and the Russia/Ukraine situation and which are expected to continue, all of the following is subject to change in order that APUC may dynamically adapt to best support its member institutions deal with these challenges.

Objective	Outcomes	Main Actions & Commitments
Key Enablement & Optimised Methods of Delivery	Simplify and optimise the tools provided to the HE/FE sector's Procurement community so that the benefits from use can be maximised	The core Hunter tool will be web-enabled and integrated into a single browser based portal where all core APUC client systems can be accessed. Basic enablement by end 2022 with an enhancement programme running through until end 2024
	Fully embed a delivery model that can be constantly adaptive to the changing needs of the sector and an increasingly volatile global and local supply chain environment	Embed the concept of “constant agility” into roles and teams across APUC so that teams can be adapted to most efficiently deliver and respond to emerging and / or unforeseen impacts and opportunities for the protection / benefit of our client institutions, across service and product lifecycles. Transition from April 2022 to July 2023. Review and update approach October to December 2024.
	Introduce new hybrid ways of working across APUC to maximise / balance delivery, staff wellbeing and optimise recruitment and retention effectiveness	New (post-Covid) hybrid working practices introduced from Feb 2022 in pilot phase with review and fine tuning by the end of 2022.
Value for Money & Resilience	Maximise collaborative opportunities and resulting value delivery of the emerging and future spend profiles of the HE/FE sectors	Work with the HE/FE sectors' Procurement Leaders and other stakeholders to review emerging and future needs – initially to be a process occurring as the “new normal” needs emerge, between the Contracting Priorities Workshop in Feb 2022 and Feb 2023, with annual reviews in February 2024, then each winter from 2024/25 to 2026/27. Key activity will be to continue, and expand where appropriate, the collaboration with other Scottish Sectors' Centres of Procurement Expertise and across the UKUPC community.

	Maximise Savings and Benefits	By managing the continuing expected volatility in local and global supply chains, deliver collaborative pricing opportunities that retain sector pricing 5-15% below prevailing market pricing* (with even lower pricing of course where possible)
	Proactively increase supply chain resilience ahead of emerging threats	Enhanced resilience assessment process to be implemented during 2022. Dynamically manage the supply market & develop mitigations including new / shorter supply chains and effective lifecycle management to maximise resilience in dealing with volatile global and local supply markets throughout life of Strategy. Resilience reviews to then take place annually until 2027.
	Maximise flexibility in routes to market	Work in collaboration with sector (research grant etc) funders and the Scottish Government to enable maximum use of routes to market that allow maximum commerciality in approach.
Climate & Ecological Emergency and responsible Supply Chains	Ensure a robust due diligence process is applied to assess higher risk / high priority suppliers on their responsible business performance	Have robust deep dive responsible business assessments completed for the highest risk collaborative suppliers by the end of December 2022. In each of the years to 2027, current / relevant deep dive assessment data will be reviewed and acted upon for the highest risk collaborative suppliers.
	Provide a supply chain GHG reporting solution / reports for all member institutions based on their annual spend reporting	Reports / tools to be provided to each institution each year based on their procurement spend identifying their GHG emissions by category / supplier etc. To be updated annually based on the annually updated UK Government DEFRA / ONS conversion factors (or any replacement governmental approved conversion factors).
	Provide the HE/FE sectors with the tools and support to effectively deliver across a wide range of Responsible Procurement objectives / outcomes.	Maintain a Responsible Procurement Team that both supports APUC internally and institutional procurement teams across a wide range of Responsible Procurement matters, including implementation of the 2022 – 2030 HE/FE Supply Chain Climate and Ecological Emergency Strategy (SCCEES).
	Progressively increase the net-zero options on Framework Agreements from 2022	All Framework Agreements where development commences from 2022 to have net-zero options / lots wherever possible / appropriate. All Framework Agreements put in place from 2026 to have comprehensive net-zero options wherever technically possible / viable.
Fair Work & Economic Wellbeing	Wherever relevant, ensure Fair Work principles are embedded into APUC procurement activity.	Fair Work principles / considerations to be embedded both at tendering stage and throughout the contract management process for all relevant Framework Agreements. Outcomes to be reported on annually in the PRA Annual Procurement Reports.

	Implement a Monitoring & Reporting programme for gathering high level supplier fair treatment performance data.	Implement for the 2021/22 AY spend, reporting across key data areas (equality, modern slavery, living wage etc) for relevant Framework Agreement suppliers. Enable this reporting functionality capability for institutions' local suppliers also where suppliers are invited to provide data. Reporting to first be delivered by end 2022 then annually.
	Emerging new-normal tenders to be reviewed for suitability for regional / technical lotting to provide maximum accessibility for SMEs / regional suppliers.	Newly identified needs' supply markets assessed for suitability for regional / technical lotting.
	Deliver a sustaining focus on the wellbeing of those that work in our supply chains	Through working with both Scottish and UK Governments and other collaborative partners, deliver joint monitoring activity and positive outcomes in dealing with modern slavery and other human rights issues in supply chains. Actively contribute to / be a leading buy-side influencer in working with Electronics Watch in converting their monitoring activity into positive outcomes for workers.
	APUC will operate to Fair Work principles in their internal operations	APUC will actively apply Fair Work principles to its policies and ways of working. A Fair Work Full Policy Review will take place by the end of December 2022. Fair Work will be reviewed annually in collaboration with staff at each APUC Annual Staff Away Day.
Capability and Continuous Improvement	Implement a PCIP Readiness Programmes for member institutions in advance of the next PCIP Assessment Phase	APUC offers PCIP Readiness support for member institutions taking account of the revised 2023/24 PCIP assessment - commences by Q2/2023 through until Q4/2023.
	APUC to undertake all HE/FE 2023/24 PCIP assessments in line with programme timings.	2023/24 PCIP - All Full and Medium PCIPs to be complete by end March 2024, with Lite and APR reviews to be complete by end July 2024.
	Expand Opportunity Scope of APUC Graduate Trainee Programme	APUC to work with institutional Heads of Procurement to explore expanding the recruitment phase of the APUC Graduate Trainee Programme to potentially include additional trainees that could be employed by institutions.
	Implement a new Future (Procurement) Leaders Development Programme (for existing procurement staff in the sector that have potential to be Heads of Procurement)	Pilot Future Leaders Development Programme launched 2022. Post programme review to take place by end of 2022 and future plans to be developed.