



# **South of Scotland Enterprise Agency**

## **Procurement Strategy**

**2021-2024**

**Version 1.0 – Review Date April 2022**

**Document Owner  
Director of Finance**

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## Section 2 – Introduction/Executive Summary

### Introduction

- 2.1 The South of Scotland Enterprise Agency (“SOSE”) is a non-departmental Public Body of the Scottish Government. It is a Body Corporate and was set up on the 1<sup>st</sup> April 2020 under the South of Scotland Enterprise Act 2019.
- 2.2 SOSE is an economic and development agency for the South of Scotland. Its vision is to drive inclusive growth, increase competitiveness, and tackle inequality within the region. SOSE want to establish the South of Scotland as a centre of opportunity, innovation and growth.

### Executive Summary

- 2.3 The purpose of this strategy is to set out the Procurement objectives for SOSE which supports the overall vision and strategic objectives of the organisation and is aligned with local and national priorities.

## Section 3 – Procurement Vision/Mission Statement

### Procurement Vision

- 3.1 Is to provide a professional approach to procurement that provides SOSE with the best value for money goods and services which contributes to the sustainable economic growth of the region.

### Procurement Mission Statement

- 3.2 Is to conduct our procurement processes in a responsible manner ensuring we can demonstrate value for money, innovation and fully embrace the principles of sustainable procurement and contribute towards reducing inequalities within the region.

### Procurement Principles

- 3.3 The following procurement principles have been identified to underpin the Procurement Mission Statement at 3.2 above. They are;

- Procurement will only be carried out under the terms of the SOSE Procurement Policy and Procedures;
- Procurement will be carried out in line with current legislation to deliver competition, sustainability, inclusiveness and, ultimately, best value for SOSE. The process will be transparent and allow accountability.
- Best value will be achieved by obtaining Most Economically Advantageous Tender (MEAT) tender offers, taking into account whole life costs and non-financial aspects of the purchase. Procurement will be driven by desired outputs and results, including acceptable health, safety and environmental performance;
- Procurement will facilitate all routes to market for regulated expenditure for goods and services contracts (over £50k) with key SOSE stakeholders, to ensure full compliance with Procurement regulations. Procurement will also aim to facilitate all non-regulated contracts with SOSE staff;
- Procurement will facilitate with key stakeholders the on-going contract management of an identified number of business-critical contracts to ensure maximum performance and efficiency in-line with the Contract and Supplier Management Strategy;
- Procurement will in the first instance look to utilise collaborative frameworks which provide value for money, fit for purpose goods or services and can reduce risk as well as reduce timeframes to award

contracts. Where this is not available or not the case, Procurement will facilitate our own tender or quotation process;

- SOSE will continue to deliver its procurement activities and meet the above opportunities and challenges in line with the Scottish Model of Procurement:

### The Scottish Model of Procurement

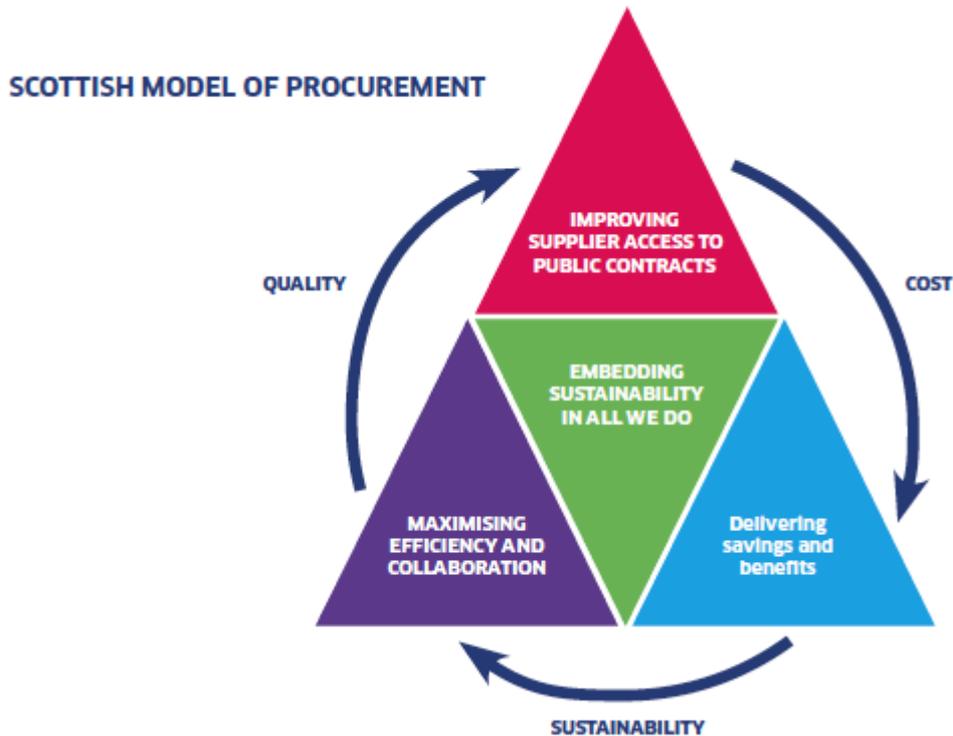


Image: [The Scottish Government](#)

## Section 4 – Strategy Rationale/Context

- 4.1 SOSE's role is to lead regional growth and development in line with Scotland's Economic Strategy, improving competitiveness and helping build a fairer society. This Procurement Strategy and associated activity will be linked to corporate priorities within the wider SOSE Strategy.
- 4.2 The strategy supports the implementation of Scotland's Economic Strategy which highlights Innovation, Investment, Internationalisation and Inclusive growth as key aspects of a competitive and fair society.

It will also ensure compliance with the Procurement legislation and guidance including:

- [Procurement Reform \(Scotland\) Act 2014](#)
  - [Procurement \(Scotland\) Regulations 2016](#)
  - [Public Contracts \(Scotland\) Regulations 2015](#)
  - [Scottish Public Procurement Policy notes](#)
  - Case Law
  - [The Procurement Journey](#)
- 4.3 Our aim is to deliver procurement across the organisation in an open, fair, inclusive, transparent and compliant manner. To achieve this, we require:
- Leadership – achieve commitment from Senior Leadership Team to support Procurement;
  - Staff - Ensure that, as far as is practicable, Procurement staff are CIPS qualified and, in all cases, maintain on-going professional development;
  - Stakeholders – Colleagues who can work with Procurement to provide technical support throughout any procurement processes;
  - Technology - Ensure use of the Public Contracts Scotland website, the Scottish Government's national procurement portal, for issuing all its tender documents and Quick Quotes to potential suppliers. This provides registered SMEs with the opportunity to tender for all appropriate Scottish public sector procurement requirements. Also ensure the use of the Agresso Business World system to enable the electronic processing of purchase orders and payment and the Government e-PC card where appropriate;
  - Compliance - Ensure compliance with EU, national and other government procurement policies;
  - Innovation - We will consider innovative routes to market, including the use of framework contracts, and will encourage innovation from the supplier base through the use of output-based specifications as appropriate (to ensure suppliers can offer solutions to meet our needs rather than SOSE prescribing how the market should meet our needs;

#### 4.4 Our key priorities are:

- Ensure all procurement activity (including contract management of business-critical suppliers) is led and facilitated by the Procurement team alongside fully committed internal stakeholders, ensuring full contract compliance and effective governance;
- Supporting the Grants award process to ensure an effective process for payment and governance;
- Ensure the procurement strategy remains aligned with the SOSE corporate values and priorities;
- Supporting Community Wealth Building, particularly local/rural markets in the South of Scotland, Small and Medium Sized Enterprises (SMEs), Third Sector organisations, and enterprises involving minority groups and those with protected characteristics under the Equality Act 2010;
- Putting sustainability and inclusiveness at the heart of everything we do;
- Reducing bureaucracy – an emphasis on the use of collaborative framework contracts which meet the needs of SOSE;
- Protecting public spending – ensuring tax-payers money is spent sustainably, ensuring integrity and accountability;
- Regular reporting of procurement performance and compliance in relation to regulated procurements;
- Working collaboratively with other public sector organisations on regulated procurements where appropriate, ensuring that our partner organisations are committed to equality of opportunity for all sectors of society, and that their commitments reflect the SOSE' [Public Sector Equality Duty](#) and its general equality duty; and

#### 4.5 We will do this by:

- Developing staff in Procurement who lead on procurement processes; through training, secondments and mentoring;
- Maintaining a high profile of Procurement within SOSE and developing relationships with colleagues to ensure effective processes;
- Ensuring compliance with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated statutory guidance;
- With a particular emphasis on supporting Community Wealth Building we will ensure the three pillars of sustainability (economic, social and environmental factors) are considered with stakeholder(s) at the beginning of all procurement projects and in a proportionate manner, embedded in any contracts we award;

## Section 5 – Strategic Aims, Objectives & Key Priorities

### 5.1 Our strategic aims

The strategic aims of the Procurement function are to support the delivery of SOSE’s strategic priorities and key objectives.

No.	Strategic Priority	Key Objective
Strategic Priority 1	Procurement Leadership	Ensure all Procurement activity/competitions are led by the Procurement Team to ensure full compliance with all relevant legislation and provide governance oversight.
Strategic Priority 2	Deliver Value for Money	We will ensure contracts are awarded on a combination of factors including (but not limited to) quality, cost, inclusiveness, sustainability and community wealth building.
Strategic Priority 3	Sustainable Procurement	Ensure sustainability is considered and imbedded proportionately in all contracts we award (including extended supply chain) in line with our sustainable procurement duty, including supporting climate change targets and transition to a net-zero carbon emissions organisation.
Strategic Priority 4	Digital Innovation	We will place digital innovation at the centre of what we do, making sure that we maximise the opportunities afforded by technology to improve processes, provide easy access to information and support quicker outcomes.

We will do this as outlined in the following statements with reference to [Section 15\(5\)](#) of the Procurement Reform (Scotland) Act 2014 by:

#### **(a) Ensure that regulated procurements:**

- (i) contribute to the carrying out of its functions and the achievement of its purposes (section 2.5.1 of the Guidance accompanying the Procurement Reform (Scotland) Act)**

Through considering the approach to procurement in the context of the wide range of joint plans and strategies developed internally and externally; by utilising effective and relevant consultation when developing and aligning our procurement strategy with these plans and strategies, and for individual regulated procurements as required; and through promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes; and ensuring prompt payment across our supply chain.

**(ii) deliver value for money (a balance of cost, quality and sustainability) (2.5.2)**

By applying the following key principles: Collaboration with other organisations where possible; maintaining consistency and transparency in our procurement processes; considering, where appropriate, the whole-life cost of what is being procured; and ensuring what we do is in a clear, transparent and proportionate manner.

**(iii) Are carried out in compliance with its general duty to treat relevant economic operators equally and without discrimination (2.5.3)**

By, where relevant and proportionate, considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland procurement portal; considering in the initial sourcing strategy stage the opportunity to break requirements into smaller lots to attract SME's; and promoting opportunities within the South of Scotland to support community wealth building.

**(iv) Be undertaken in compliance with our duty to act in a transparent and proportionate manner (2.5.4)**

At each stage of the procurement process, SOSE will ensure that it is acting in a transparent and proportionate manner through: using electronic communications for all procurement activity, while providing alternative communications methods if requested; ensuring open public and market engagement; using clear and precise language to ensure a common understanding of the requirements; and utilising SOSE' financial thresholds to ensure proportionality regarding the appropriate type of procurement process.

**(v) Comply with the sustainable procurement duty (2.5.5)**

SOSE shall ensure that it complies with its statutory sustainable procurement duty through embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises (including downstream supply chains) ; considering how individual procurement exercises can assist SOSE to improve the economic, social, and environmental wellbeing of our area facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported business in the procurement process; and by promoting innovation at the initial stage of all procurements. As part of the climate change emergency SOSE will support the transition to a net-zero carbon emissions economy and society.

**(b) include a statement of general policy on;**

**(i) the use of community benefit requirements (2.5.6)**

For every procurement over £4m, the SOSE 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 Sustainable Procurement. Where possible and proportionate SOSE will examine the possibility of including such clauses in all procurements below the £4m threshold.

**(ii) consulting and engaging with those affected by its procurements (2.5.7)**

SOSE will engage with those affected by its individual regulated procurements including, where appropriate and proportional: consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements; and ensuring the outcomes of any consultations will be taken account of within our regulated procurements.

**(iii) the payment of a Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements (2.5.8)**

Complying with the statutory requirements on the payment of a national living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; through contributing towards improving the social well-being element of our sustainable procurement duty by promoting the Living Wage and fair work practices in regulated procurements and the wider supply chain;

**(iv) promoting compliance with the Health & Safety at Work etc Act 1974 by contractors and sub-contractors (2.5.9)**

Complying with the SOSE corporate Health and Safety Policy on promoting compliance by contractors and sub-contractors with the [Health and Safety at Work etc. Act 1974 \(c.37\)](#) and any provision made under that Act, through assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and through ensuring that our requirements for individual contracts meet current legislation (as a minimum).

**(v) the procurement of fairly and ethically traded goods and services (2.5.10)**

The procurement of fairly and ethically traded goods and services will be considered at the initial sourcing strategy stage of all regulated procurements during the period of this strategy.

## Section 6 – Spend/Finance

6. As SOSE are a new body corporate established on 1<sup>st</sup> April 2020 we have no previous spend to report on. However, we do anticipate spending approximately £11.1m on Revenue (including pay) and £9m on Capital from April 2020 to March 2021. From April 2021 to March 2022 we anticipate spending approximately £14.8m on Revenue, £13.4m on Capital and £5m on financial transactions.

## Section 7 – – Implementation, Monitoring, Reviewing and Reporting

### Approval of strategy

- 7.1 This Procurement Strategy will be approved by the SOSE Senior Leadership Team.

### Publication of Strategy

- 7.2 SOSE will publish this Procurement strategy on both its external website and internal intranet and will notify The Scottish Ministers of publication.

### Review

- 7.3 SOSE will review the Procurement Strategy annually and issue an Annual Procurement Report on its findings. This will help to ensure that SOSE maintains the alignment between the Procurement Strategy and the organisation's broader corporate priorities. Where necessary and proportionate to do so, SOSE will revise and update its Strategy.

### Reporting

- 7.4 SOSE will, as soon as practicable, following the end of each financial year prepare an Annual Procurement Report which will include:
- A summary of all regulated procurements completed within the year;
  - A review of whether these procurements complied with this Strategy;
  - A statement detailing how it is intended that future compliance will be achieved in the instance where any procurements were found not to have been carried out in accordance with this Strategy;
  - A summary of any community benefit that were achieved;
  - A summary of steps taken to facilitate the involvement of supported businesses in regulated procurements in the year;
  - A summary of anticipated regulated procurements expected to commence in the next two financial years;
  - Any other information as specified by The Scottish Ministers.

## Section 8 – Strategy Ownership & Contact Details

8.1 The Strategy is owned by the Director of Finance and signed off by the Senior Leadership Team

8.2 If you have any queries in relation to this Strategy, please contact:

Stuart Paterson  
Procurement Manager  
South of Scotland Enterprise Agency  
Tel: 01750 535901  
E-mail: stuart.paterson@SOSE.scot

## Section 9 – Policies, Tools & Procedures

In this section, SOSE outlines how this Procurement Strategy contributes and complements local and national policies, processes and procedures.

9.1 Local Policies

- Procurement Policy and Procedures
- Delegated Authority Policy
- Risk and Internal Audit Policy
- Data Protection Policy
- Freedom of Information Policy
- Conflict of Interest Policy
- Whistleblowing Policy

9.2 National Policies

- [Scotland's Economic Strategy](#)
- [Procurement \(Scotland\) Regulations 2016](#)
- [Procurement Reform \(Scotland\) Act 2014](#)
- [The Scottish Procurement Journey](#)
- [Scottish Model of Procurement](#)
- [National Performance Framework](#)
- [Public Procurement Reform Programme](#)
- The Changes to the EU Procurement Directives
- Scottish Business Pledge
- [Guidance on Procurement and the Public Sector Equality Duty](#)
- [The Suppliers Charter](#)
- PCIP
- The Information Hub
- The Strategic Board for Enterprise and Skills

**End of Document**