



Procurement Strategy 2016 – 2019

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1. Executive Summary

A proactive and strategic procurement operation is fast becoming recognised a key contributor to building business capability and performance in increasingly competitive markets. Key to successful procurement operations is a raised profile within the organisation and to establish good relationships with customers and stakeholders to develop sourcing strategies to cover the needs of business areas in a way which adds value and supports the overall objectives and vision of the organisation.

This Procurement Strategy from 2016 to 2019 builds upon and updates the previous NRS procurement strategies. It sets out the strategic focus and direction for procurement activity over the next three years in order for NRS Procurement to evolve and meet the challenges presented by a continually changing procurement landscape.

This strategy document is intended to provide an understanding of the business benefits a professional procurement team is capable of delivering when it is valued by the organisation.

We are committed to developing good quality procurement practices that add value and measurable benefits to NRS whilst supporting the Scottish Government's Public Procurement Reform agenda.

This document intends to demonstrate how NRS Procurement will make a significant contribution to supporting and helping to deliver the objectives contained in the NRS Corporate Plan 2012-15 and ensuring that NRS is fully compliant with its obligations under the Procurement Reform (Scotland) Act 2014.

2. Introduction

Procurement covers the acquisition, whether under formal contract or otherwise, of goods, services and works from third parties by contracting authorities and the procurement process spans the life cycle from defining the business need and the intake of requirements to meet that business need through to the end consumption, or disposal. .

The main focus of the procurement strategy will be to improve the contribution NRS Procurement can make within NRS and across the wider public sector by working to position procurement higher in the organisations value chain. The earlier NRS Procurement is involved in projects which will require the acquisition of goods, services and works the more value we can achieve.

This procurement strategy recognises the need for effective procurement to ensure appropriate contracts are in place, and then carefully managed, in order to deliver best value for money.

In April 2016 the Procurement Reform (Scotland) Act 2014 came into effect. It focused on changes to the procurement and award of regulated* contracts and the requirement to produce and publish a procurement strategy and annual reports.

*Regulated contract is a public contract where the estimated value is greater or equal to £50,000 (ex. VAT) for goods and services or £2,000,000 (ex. VAT) for works and is not an excluded contract under Regulation 6 of Public contract regulations.

3. Background and Strategic Context

3.1 National Records of Scotland

National Records of Scotland (NRS) was a new organisation created on 1 April 2011 through the amalgamation of the General Register Office for Scotland (GROS) and National Archives of Scotland (NAS). NRS is a non-ministerial department within the Scottish Administration. It is headed by a Chief Executive who fulfils the role of two non-ministerial office holders, the Registrar General of Births, Deaths and Marriages for Scotland and the Keeper of the Records of Scotland.

The purpose of NRS is to collect, preserve and produce information about Scotland's people and history and make it available to inform current and future generations. Our work underpins the fabric of Scottish society by telling the story of our nation.

NRS provides support to Scottish Ministers and our work contributes towards several of the SG's key priorities. Four key themes encompass our work:

- Preserving the past
- Recording the present
- Informing the future
- Working effectively

3.2 Procurement

The main theme of this Procurement Strategy is to improve the contribution Procurement can make within NRS, supporting the organisations key themes, and the wider public sector community by setting the direction and focus for the delivery of an effective procurement service. This procurement strategy covers the next 3 years and will be aligned with the NRS Corporate Plan 2016-21 and updated annually.

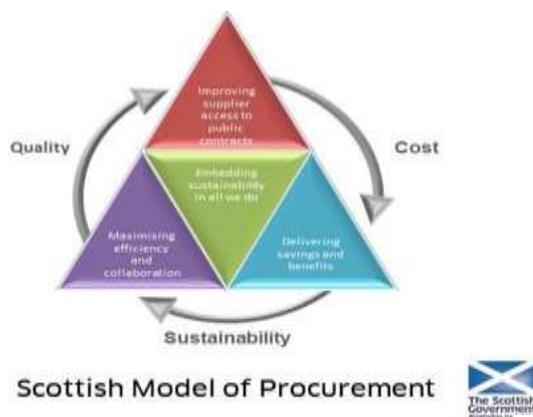
In 2006 the McClelland Review of Scottish Public Sector Procurement highlighted general areas for improvement across public sector organisations as a whole. Sustainable procurement and the drive to raise standards and practices in public procurement were at the centre of the reform agenda. This strategy has been developed in the context of the Scottish Government's wider reform agenda which has placed great emphasis on accelerating the pace of change to deliver benefits and savings, improve suppliers' access to public contracts, collaborate with other public bodies and embed sustainability in all that we do.

3.3 Value for Money

Value for money is defined as the optimum combination of whole life costs and quality (or fitness for purpose) to meet an organisations requirement. Depending on the nature of the contract whole life costs can include development and implementation costs, on-going operating or maintenance costs and end of life disposal costs.

In awarding contracts on the basis of the most economically advantageous tender NRS balances the quality of the goods, services and works being procured against price. To compliment this NRS will frame requirements specifications in a way which encourages innovation rather than defining the solution.

The Scottish Government's concept of value for money in procurement is the optimal balance of whole life costs, quality and sustainability, which is represented in the Scottish Model of Procurement. This approach is adopted by NRS Procurement as part of our best practice.



4. Vision

4.1 NRS Vision

By 2018, we will have increased our reach and impact and be recognised as an influential leader across our sectors. We will be a trusted and innovative organisation, with a focus on continuously improving our customer services and especially our digital services.

4.2 NRS Procurement Vision

Our aim is to continue to build a quality procurement service which is recognised as promoting and delivering these services to a very high standard in the Scottish public sector. An organisation which shares its procurement skills and knowledge with other public sector organisations in order to build procurement capability.

Our vision is to:

Provide a high quality, fit-for-purpose Procurement Service committed to delivering customer requirements in a way which will provide sustained best value for NRS in support of its corporate aims and objectives.

5. Strategy Rationale and Aims

We aim to:

- develop a quality and strategic procurement function which is dedicated to delivering the needs of its customers with measurable sustained value in support of the organisational vision;
- provide a framework for NRS to develop a plan to achieve continuous improvement in our procurement activity
- deliver a transparent, fair and effective procurement service which is legally compliant and offers best value, promotes best practice and supports the NRS Corporate Plan;
- further develop a collaborative approach to procurement in order to deliver against our corporate and the wider public sector targets;
- build strong internal relationships with our customers, stakeholders and suppliers to help us better understand and identify their business needs;
- gain a better understanding of our key commodities and their markets to better inform our planning and sourcing strategies;
- Enable procurement to contribute to NRS overall vision and to provide efficiencies to help NRS deliver its key priorities and front line services;
- Enhance compliance with relevant policies and procedures.

6. Spend/Finance

NRS sources a range of services, goods and works to support our diverse business and our estate.

Excluding employee costs, rent and rates, procurement activity represented £7.4m of NRS expenditure in 2015-16 with over 200 suppliers, buying different kinds of goods, services and works – some routine such as paper and IT kit, some highly unusual such as conservation products, services for the 2021 Census and the Scotlandspeople Website service.

We must ensure we buy all these goods and services efficiently, effectively and sustainably, in accordance with legal and ethical standards, and demonstrating we achieve best value for money.

7. Procurement Performance and Action Plan

The following performance indicators will be used to monitor progress in the outcome for the life span of the strategy:

Performance	
Performance Indicator Name	2019 Target
Percentage of NRS expenditure covered by contracts	80.0%
Value of procurement savings achieved through NRS contracts and through using Collaborative Framework contracts.	£950,000 (over 3 years)
Percentage of Category A & B contracts which demonstrate Best Value	100.0%
Number of collaborative opportunities explored as a percentage of all contracts implemented.	100.0%
Percentage of customers who rated their involvement in planning efficiencies and improvements as good or excellent.	95.0%

Action Plan	Description	Planned Outcome	Status (Planned, Active, Complete)
Contract Development	Develop a contract strategy for each area of spend identified.	Ensure Best Value across NRS for all procurement requirements	Active
Increase Contract Collaboration	Increase the number of contract collaboration opportunities with other public sector organisations	Increased use of collaborative contracts where Best Value can be delivered	Active
Contract Cashable Savings	Ensure that all regulated contracts have cashable savings targets and that actual figures are consistently measured and recorded	Meet NRS Procurement financial savings targets	Active
E-invoicing	Implement the Scottish Government e-invoicing system to encourage better payment performance for invoices and reduce the costs to NRS and its suppliers for the purchase to pay process	Improved invoicing payment performance and reduce administration costs	Planned

8. Procurement Policies, Tools and Procedures

Central to a strategic approach to procurement are the numerous specific tasks (driven mostly by the Procurement (Scotland) regulations) to be carried out over the life cycle of the contract to ensure expected contract outcomes are successfully delivered.

These specific takes include:

- Implementing the Scottish Government Procurement Journey as the model for our procurement activity
- Proactive customer and stakeholder engagement in our regulated procurements
- Early supplier involvement and market engagement
- Transparent, open and fair procurement
- Use of electronic procurement methods (PCS, Government Procurement Cards (GPC), Quick Quote, EASEbuy etc.)
- Contract and Supplier management
- Maintaining a contracts register
- Sustainability considerations (including fair trade and work practices, community benefits, SME participation and engagement with supported businesses)
- Continuous improvement
- Delivering value for money

9. NRS General Approach to Procurement

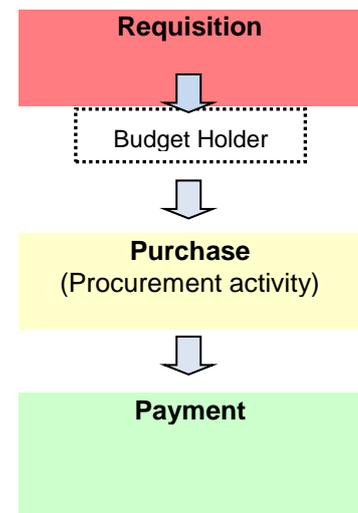
9.1 NRS Procurement Policy

NRS will treat all suppliers fairly, equally and without discrimination. We will act in a transparent, open and proportionate manner which is compliant with procurement legislation.

We will never charge for the supply of our tender documentation.

The Procurement Policy in NRS is to:

- Ensure there is a clear separation of duties in NRS between Requisitioners (the staff identifying a business need), the Budget Holders (the staff with Delegated Financial Authority), the Procurement Specialists/Officers (the staff with Delegated Purchasing/Procurement Authority who undertake procurement activity) and the Finance Team (the staff who process the financial transactions) to ensure there is clear governance at each stage of the process;
- Empower the centralised Procurement Team with full responsibility for procurement across the organisation. To work with our stakeholders and customers to develop and procure fit for purpose contracts for NRS which are compliant with government procurement policy, procedures and legislation and can demonstrate value for money.



9.2 People and Skills

The centralised Procurement Team is responsible for procurement activity for NRS including implementing procurement policy and for providing procurement and contract management advice and support.

To ensure that procurement staff in NRS possess the relevant skills and levels of competency to undertake their duties efficiently we will complete the Scottish Governments Procurement Competency Framework on an annual basis. This will ensure the procurement specialists take ownership of their personal development through a skills assessment to identify training needs for their continued professional development.

9.3 Collaboration

We will continue to work in close partnership with other public bodies to support Collaborative working initiatives for Scottish Public Sector procurement reform driving these initiatives forward in NRS, including:

- continuing membership of the Procurement Cluster Group which builds procurement capability through supporting, mentoring and the sharing of best practice; and
- participating in User Intelligence Groups (UIG's) for Scottish Government collaborative framework contracts.

NRS will continue to procure goods and services through Scottish Government and Crown Commercial Services collaborative framework contracts where the goods or services being procured can be fully met by using a framework contract.

9.4 Sustainable Procurement Duty, Community Benefits, Fairly and Ethically Traded Goods and Services, SME's, Supported Businesses and Third Sector Organisations

Public Procurement is a key driver of policy development and service delivery which supports sustainable economic growth. As such NRS is aligned with Scottish Governments commitment to sustainable procurement practices that deliver positive outcomes.

NRS, in line with Scottish Government, believes that employers whose staff are treated fairly, who are well rewarded, well-motivated, well led, have access to appropriate opportunities for training and skills development, and who are a diverse workforce are likely to deliver a higher quality of service. Further we hold that good relationships between employers and their workforce contribute to productivity and ultimately sustainable economic growth.

NRS, in accordance with Scottish Government, considers the payment of the Living Wage to be a good indicator of an employer's commitment to fair work practices and that payment of the Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce. As a public body we are, and encourage others to be, a Living Wage Accredited Employer.

NRS has been accredited by the Poverty Alliance as a Living Wage employer.

This officially recognises our on-going commitment to paying our staff at least the Living Wage. The Living Wage is the amount a person should receive to cover their basic costs of living in the UK.



Our commitment extends to our contracted staff.

More information about the Living Wage accreditation can be found on the Poverty Alliance website.

We expect Suppliers who deliver public contracts to adopt policies which demonstrate how they comply with relevant employment, equality, health and safety law, human rights standards and adhere to relevant collective arrangements. We further expect Suppliers to have policies which describe how they adopt fair work practices for all workers engaged on delivering the public contract.

Section 9 of the Public Procurement Reform (Scotland) Act 2014, which came into force in June 2016, places a sustainable procurement duty on a contracting authority (public body), before carrying out a regulated procurement, to consider how in conducting the procurement process it can improve the economic, social and environmental wellbeing of Scotland.

NRS is contributing towards improving the social wellbeing element of its sustainable procurement duty by adopting a policy to promote fair work practices in relevant public contracts and seeks to maximise social considerations which can be delivered through the performance of its services and its contracted services through the promotion of Community Benefits which are relevant and proportionate to the contract. These measures will ensure we remain an inclusive organisation which both promotes and encourages a diverse range of suppliers including SME's, Supported Businesses** and third sector organisations.

We will continue to promote and use the Scottish Government Supported Businesses collaborative framework contract.

****Supported Business** means a company or a service where more than 30% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.

9.5 Advertising

NRS will continue to advertise all of our regulated contract opportunities on Public Contracts Scotland (PCS) Portal and ensure we publish contract award notices once the procurement is concluded.

9.6 Procurement Journey

In order to maximise the value from our procurement activity we will continue to follow the relevant Scottish Government Procurement Journey which promotes best practice and supports all levels of procurement activity and provides a structure for managing stakeholder, customer and supplier expectations.

9.7 Unsuccessful Bidders on NRS Contract Opportunities

NRS fully complies with the requirements of the Procurement Reform (Scotland) Act 2014.

Where a bid is unsuccessful NRS provides written feedback to Suppliers of the reasons why their tender or quotation was unsuccessful based on the specified evaluation criteria.

9.8 Contract Management

Following the procurement process there needs to be an effective contract management process in place which is clear on the outcomes to be achieved through the delivery of the contract, including value for money outcomes and how contractual risk will be managed.

NRS contracts and our Suppliers will be managed in accordance with the Contract and Supplier Management process detailed in the relevant Scottish Government Procurement Journey.

9.9 Contracts Register

NRS maintains a Contracts Register which can be found at <https://www.nrscotland.gov.uk/about-us/procurement>

9.10 Payment to Suppliers

NRS is committed to paying our Suppliers promptly. Contractually we are committed to paying our Suppliers within 30 days of receipt of an invoice. In line with Scottish Government's payment

performance targets we generally pay undisputed invoices within 10 working days of receipt of the invoice. Our performance against this target is included in our Annual Report which can be found at <https://www.nrscotland.gov.uk/about-us/corporate-governance>.

In order to ensure prompt payment flows through the supply chain we monitor payments made to sub-contractors in all of our major contracts.

In the financial year ending 31 March 2016 we paid 99% of supplier's undisputed invoices within 10 working days.

9.11 Compliance with EU Public Procurement Directives

NRS will fully comply with its obligations under the Public Contracts (Scotland) Regulations 2015 which are also known as the EU Procurement Directives.

9.12 Procurement and Commercial Improvement Programme (PCIP)

NRS is subject to the Scottish Government Procurement and Commercial Improvement Programme which is designed to measure procurement and commercial capability and identify areas that require further improvement. NRS is fully committed to this programme and aims to continually improve its performance. NRS is currently rated as an M1 organisation which is the highest level.

9.13 Flexible Framework

NRS will complete the Scottish Sustainable Procurement Action Plan on an annual basis.

The Flexible Framework is a sustainable procurement tool which enable measurement against various aspects of sustainable procurement and the actions required to improve the organisations level of performance.

9.14 Climate Change Duties and Carbon Management

Early in 2012 NRS published its Carbon Management Plan in which we committed to a target to reduce our carbon emissions by 20% over the 5 year period ending in March 2016. At the end of the 2015-16 financial year we had reduced our carbon emissions by a total of 32.7%, exceeding our five year target. NRS procurement made a major contribution to this achievement.

10. Implementation, Monitoring, Reviewing and Reporting

- This strategy will be implemented by procurement staff as part of their daily duties, working with stakeholders and customers within NRS.
- This Procurement strategy will be reviewed annually, updated where required and an annual report published.
- The Contracts Register will be updated and revised quarterly.
- Community Benefits on regulated procurements will be monitored and then reported on annually.
- Progress on steps taken to facilitate the involvement of supported businesses in regulated procurements will also be reported annually.