



**Procurement Strategy and Action Plan
(2022 – 2024)**

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1 Introduction

The Ayrshire College Procurement Strategy is aligned with the College's strategic aims and objectives, established collaborative initiatives and necessary regulatory compliance. The strategy was approved by the College's Senior Leadership Team. The Strategy is the culmination of consultation and engagement with different stakeholder groups affected by the College's approach to procurement. This process was managed by the College's procurement resource. This ensures that the Procurement Strategy benefits from exposure to both internal and external scrutiny. This strengthens the understanding of the Strategy and the prospect of achieving its policies, aims and objectives.

2 Procurement Strategy

The Procurement Strategy, used in conjunction with Ayrshire College's Procurement Policy and Procedures, sets out the college's strategic approach to procurement within the current regulatory conditions and environmental sustainability challenges. The Strategy's **Action Plan (Appendix 1)** translates the strategic objectives and desired outcomes into the detailed actions and processes required to maintain best value, sustainable and legally compliant procurement operations. The Action Plan is relevant to all staff involved in buying goods and services on behalf of Ayrshire College, including management staff responsible for authorising and monitoring transactions.

3 Ayrshire College's Procurement Mission and Strategic Objectives

Ayrshire College is committed to obtaining value for money in all of its transactions, and in conducting its daily business staff must always consider the College's wider responsibilities in terms of legal, ethical, social, economic and environmental impact. Effective procurement will support the key College's objectives across these important operational dimensions, as set out in [Ayrshire College's Statement of Ambition and Strategic Objectives 2021-2024](#) .

These key objectives of the College's Statement of Ambition are supported by the objectives of Procurement (Table 1).

Table 1 – Linking the College's Statement of Ambitions to the Procurement Objectives

Ayrshire College Statement of Ambitions	Procurement Objective
Provide an inspirational college experience which supports and enables students to overcome the disruption to learning caused by the pandemic and to successfully progress on their learning journey.	To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of college staff and students.
Embed diversity and inclusion in all decisions, and support staff and students by providing accessible opportunities to learn, work and develop	To develop sound and useful procurement management information in order to measure and improve procurement and

Ayrshire College Statement of Ambitions	Procurement Objective
	supplier performance in support of corporate planning conducted through a fair and transparent process
Embed a culture of open leadership and empowerment where staff and students feel valued, their voices are heard, and they are involved in decisions that affect them	To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities
Work with partners, including businesses, to co-create and deliver a portfolio of learning and skills that is relevant, dynamic, flexible, and responsive to employer and industry needs, to current and future skills requirements and contributes to social and economic recovery.	To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services
Focus on being a high-performing college underpinned by excellence in stewardship, effective risk management and the highest standards of corporate governance	To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities
Respond to the climate change emergency by being environmentally responsible, embedding sustainability in our learning and teaching and business operations	<p>To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish, UK and where still relevant, EU legislation in performance of the sustainable procurement duty</p> <p>Embed sustainability within learning and teaching practices and business operations and reduce our carbon footprint</p>
Develop and support staff and students to work and learn in new and innovative ways to enable excellence in all aspects of learning and teaching and service delivery	To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective and coordinated purchasing effort within the College

These objectives will be measured and reported on through the Strategy Action plan, through the Procurement and Commercial Improvement Programme (PCIP) and through publication of the College's Annual Procurement Report.

4 Ensuring Compliance with general Duties and Specific Measures of the Procurement Reform (Scotland) Act 2014

4.1 Policy on the use of community benefits

For every procurement over £4m, the college will consider how it can improve the economic social or environmental wellbeing of communities in Ayrshire through inclusion of community benefit clauses, to assist with its strategic objective of being 'A place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth'. Examples of the scope of community benefits clauses include the delivery of training opportunities or subcontracting opportunities. Where possible and proportionate, such clauses may be included in procurements below £4m.

4.2 Consulting and engaging with those affected by its procurements

For each procurement, the College will consider who will be affected by the resultant contract and ensure any affected communities, organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other similar college needs). Such consultation will always be on a scale and approach relevant to the procurement in question.

4.3 Payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

Ayrshire College is an accredited living wage employer and recognises the positive impact of a well-motivated and dedicated workforce both within its own organisation and in those of its suppliers. The College does recognise that the payment of a living wage may place pressure on the finances and sustainability of suppliers, particularly small or medium sized businesses. Therefore, the College engages with potential suppliers as early as possible in the procurement process to balance how suppliers can support its living wage policy, while ensuring an appropriate balance between quality and cost.

4.4 Compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 and any provision made under that Act.

The College is committed to contracting only with suppliers and their sub-contractors that comply with all appropriate and relevant legislation, including Health and Safety legislation. Where appropriate, and on a contract by contract basis. The College will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the College may also assess such compliance of subcontractors.

4.5 Fairly and ethically traded goods and services

The College supports the sourcing of goods that are fairly and ethically traded. Where relevant the College shall make use of appropriate standards and labels in its procurements and will consider equivalent offerings from suppliers that can demonstrate they can meet the specified criteria without necessarily having

the specific certification. The College will also consider the use of lifecycle costing.

4.6 The provision of food and improving the health, wellbeing and education of communities in the College's area, and the promotion of the highest standards of animal welfare

The College will find practical ways to supply healthy, fresh, seasonal, and sustainably grown 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.

The College will work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services.

4.7 Payment Terms

The College recognises the importance of paying suppliers on time once a service has been performed or goods delivered and that late payment is particularly detrimental to SMEs, third sector bodies and supported businesses. The College is committed, as far as is reasonably practicable, to pay contractors and subcontractors within 30 days of a valid invoice, or similar claim, being received. The College complies with the Late Payment legislation and will review on a contract by contract basis whether such obligations should be enforced and monitored further down its supply chain.

4.8 Sustainable Procurement Duty

The College considers the environmental, social and economic issues relating to all regulated procurements. The College also considers how benefits can be accrued, on a contract-by-contract basis by taking proportionate actions to involve SME's, third sector bodies and supported businesses in our procurement activities. In addition, the College will take account of climate and circular economy in its procurement activity.

The College will utilise available tools and systems such as Prioritisation, Life Cycle Impact Mapping, Sustainability Test, Flexible Framework, Sustain Code of Conduct and Electronics Watch where relevant and proportionate to the scope of the procurement.

4.9 Contribute to carrying out our function and the achievement of our purposes

In compliance with the Procurement Reform (Scotland) Act 2014 the College produces an annual report on progress against these objectives. It is published on the College's website annually, following approval at the December Board of Management meeting. The Annual Report describes how the College has discharged its obligations under the Act and how it has exercised discretion and judgement to secure strategic objectives in compliance with the Act.

4.10 Deliver value for money

Value for money is defined as the best balance of cost, quality and sustainability. The balance of value for money varies on a case-by-case basis.

The College applies a value for money approach to all procurements whilst ensuring that it does so in a clear, transparent and proportionate manner. The College's approaches are in line with the Treaty on the Functioning of the European Union of equal treatment, non-discrimination, transparency, proportionality and mutual recognition as well as the sustainable procurement duty.

4.11 Treating relevant economic operators equally and without discrimination

The College conducts all its regulated procurements in compliance with the principles of equal treatment, non-discrimination, transparency, proportionality and engages with the supply market where relevant prior to the publication of a contract notice. All regulated procurements will be posted on portals such as Public Contracts Scotland (PCS) and lower value purchases via PCS Quick Quote.

4.12 Acting in a transparent and proportionate manner

Where appropriate the College uses lotting, output based specifications and transparent evaluation criteria to ensure that procurement opportunities are accessible to as many bidders as possible.

The College actively take steps to make it easier for local and smaller businesses to bid for contracts. This is done through the use of Public Contracts Scotland, quick quotes, the provision of training and by publishing a contracts' register to highlight contracts that local suppliers may be interested in bidding for. The College also or provides information on third party training opportunities to build suppliers capacity to better navigate the public tender process.

5 **Annual Procurement Report**

The Procurement Reform (Scotland) Act 2014 requires the College publish, on its website, an Annual Procurement Report that summarises progress against the objectives noted above. The Annual Report sets out how Ayrshire College has discharged 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 summarises the following information:

- regulated procurements that have been completed during the year and a review of whether those procurements complied with the college's procurement strategy;
- any regulated procurements that did not comply, along with a statement of how the college will ensure that future regulated procurements do comply;
- community benefit requirements that were included as part of a regulated procurement, and how they were fulfilled during the year covered by the report;
- any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report;
- regulated procurements expected to commence in the next two financial years.

The Annual Report will also detail other such information as the Scottish Ministers may by order specify. Where applicable, the Annual Report

demonstrates compliance with other legislation that places specific requirements on the College with respect to its procurement activities including a summary of benefits that have had a positive impact on climate change.

6 Action Plan

The Procurement Strategy Action Plan consists of a number of specific actions and commitments in relation to each of the strategic objectives and their desired outcomes. These are cross referenced to the relevant section of the Procurement and Commercial Improvement Programme (PCIP) and progress against this Action Plan will be reported on quarterly to the College's Leadership Management Team.

The RAG status of the actions shown in the Action Plan is as at February 2022, with amber and red status and high priority being given precedence.

As part of the formal annual review of this Strategy, the Action Plan will be reviewed and updated as required, to ensure that the College's procurement activity is aligned with its broader objectives.

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators / Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.	Optimised use of Cat A, B and C1 collaborative contracts and extension of early procurement contributions of value to all areas of influenceable expenditure.	Scrutinise expenditure analysis to improve its utility. Identify collaborative regulated procurements and categorise Maintain contracts register	Numbers and values for A B and C1 business as % of totals Number and value of contracts covered by register	Ongoing with quarterly reports to SLT ¹	PM ² & APUC Account Manager	HIGH	Dashboard 2.1 3.3	G
	Established network with APUC, other sector consortia, sector representative bodies for collaborative and professional development.	Benchmarking of good practice standards and procurement performance standards	Use of BPIs	Ongoing with periodic progress reports	PM & APUC Account Manager	MEDIUM	1.5	G
	Extension of best practice methods and ethical values to all phases of the procurement process.	Processes mapped to the Procurement Journey using internal and external training resources	Details of training delivered and numbers involved	Ongoing-Annually	PM & APUC Account Manager	MEDIUM	1.4	G
	Development of a shared, integrated procurement strategy development process	Develop forward contracting plan and strategies and relate these to sectoral, regional and national contracting plans	Number and value of contracts covered by contracting strategies expressed as % of totals	Annual Contracting Priorities	PM & APUC Account Manager	MEDIUM	1.2 2.1	G

¹ Ayrshire College Senior Leadership Team

² Ayrshire College Procurement Manager

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators / Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
	Effective supplier management, development and performance measurement processes	Apply Kraljic segmentation analysis to the supplier base and develop supplier relationship management processes accordingly	Number of suppliers and value of business subject to segmentation analysis	Ongoing- Annual review	PM & APUC Account Manager	MEDIUM	3.1	G
	Development of understanding of supplier capability and strategy	Conduct regular market analysis Put implementation plans and exit strategies in place as appropriate	Profile by number and value the business done locally regionally and nationally. Use of invoice post code analysis	Annual	PM & APUC Account Manager	MEDIUM	2.1	G

RAG Key:

Actions and Commitments in action or completed	Actions and Commitments started but not completed	Actions and Commitments not yet started
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Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators / Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the College.	Establishment of an internal contract lead/budget holders network and optimised cross-functional collaboration to secure benefits of aggregation of demand and future contract planning	Establish/ develop a strong devolved internal 'contract leads' network. Develop a procurement action plan.	Number of 'contract leads' Total £ value of contract leads expenditure	Ongoing monthly and quarterly reports	PM & Contract Leads	HIGH	1.1	G
	Procurement information routinely communicated to people who need to know	Co-ordinate procurement initiatives and disseminate procurement information from external sources e.g. APUC contract and advisory information. Optimise use of intranet (or Ξ) to communicate.	Record of number, frequency and forms of communications	On-going Weekly APUC ezine updates Quarterly SLT report Annual Report	PM	MEDIUM	1.5	G
	Procurement training and/or guidance systematically applied to points of need	Ensure all staff involved in procurement process can receive appropriate training	Record of staff attending individual training events, also to include counter fraud and conflict of interest issues	Ongoing Annual at start of new AY	PM + HR + APUC	LOW	1.4 1.6	G
	Implementation of efficient procurement processes e.g. tendering, requisitions, approvals, order and invoicing processes.	Review processes and optimise use of e-tools Including PCS for all regulated procurements & college e-procurement system	Record number and types of e-transactions quarterly/annually and as % of total transaction type and total value of	Quarterly and Annual reports	PM + Contract Leads + Finance	MEDIUM	4.1	G

		Robust internal control systems for procurement processes and systems	transaction type e.g. bids* orders, invoices and monitor over time Clean audit report	Periodic	Internal Audit-scheduled for May 2022	MEDIUM	1.6	
	Suppliers and potential suppliers provided with guidelines and advice on doing business with College and with APUC	Clear communication on procurement issues and links on website.	Outputs of stakeholder and supplier satisfaction surveys	Ongoing – Quarterly & Annual	PM + ICT	HIGH	3.1 3.2	G
	Strengthened senior management appreciation of role purpose and value contribution of procurement	Provision of SLT quarterly reports plus annual report	Trend reporting in SLT reports	Quarterly + Annual	PM + APF,SF&E ³ + APUC Account Manager	HIGH	1.1	G
	Wide stakeholder buy-in	Review comm's plan and comm's methodology	Stakeholder engagement record	Annual & Ongoing	PM	MEDIUM	1.5	G

³ Assistant Principal – Finance, Student Funding & Estates

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.	Clear specifications and procurement strategies agreed with stakeholders	Review organisational expenditure data to identify contracts in place, contracts with stakeholder agreed strategies, regulated procurements	Total expenditure on projects, goods and service and % of total expenditure influenced by procurement,	Annual & Ongoing	PM + Acc. Manager	HIGH	D'board	G
	Regular review of the need for and performance of contracts prior to developing replacement procurement strategies	Training of organisational staff on best procurement practice including appropriate approaches to regulated procurements in use of specifications, selection and award criteria. Establish a plan to develop commercial acumen.	%'s of total expenditure covered by Cat A, Cat B, Cat C1 and Cat C contracts % expenditures by Cat % of total value covered by contracts in the last FY	Training provided according to needs assessment			2.1 2.2	
	Category contract strategies that detail the organisational approach to regulated procurements	Expenditure data sorted into categories	% of total expenditure covered by a contracts register	Annual & Ongoing	PM + Lead Buyers + Acc. Manager	MEDIUM	D'board	
	Minimisation of duplication of procurement activity within the college	Review expenditure on goods and services covered by duplicate contracts and remove	% by value and number of contracts that are GPA/EU	Annual & Ongoing	PM + Lead Buyers + Acc. Manager	MEDIUM	D'board	G

	and between the college and partners	duplicated effort where feasible and beneficial	regulated procurements,					
	Management and measurement of performance of contracts in line with stakeholder and supplier agreements over the lifetime of the contracts	Develop commodity strategies in line with Procurement Journey Contract and supplier management processes applied to all significant provision and associated suppliers securing service improvement and/or opportunities for innovation	% by value and number of contracts that are 'lower value regulated procurements' (i.e. goods and services > £50k and works > £2m), % savings, cost avoidance or other efficiencies i.e. cash and non-cash savings	Annual & Ongoing	PM + Lead Buyers + Acc. Manager	HIGH	D'board 2.2 3.3 2.3 3.1 3.2	G
	Periodic and annual savings and benefits reports to SMT and stakeholders	Recorded savings and benefits calculated according to agreed sector and national criteria Reports to Management & stakeholders	Totals of maverick and compliant exp in last FY Procurement cost as % of total trade expenditure	Annual & Ongoing	PM + Lead Buyers + Acc. Manager	HIGH	D'board 1.5	G

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators/Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students	A high calibre procurement team with competency based training and skills development programmes. Structured recruitment, career development and retention programmes	Conduct high level analysis of procurement competencies and skills profiles required at different levels of procurement engagement and conduct gap analysis	Number of people in the procurement team Number of procurement officers with MCIPS or MSc per £m of influenceable expenditure	Ongoing	PM	MEDIUM	Dashboard 1.3	G
	Devolved procurement competencies assessed across the college Procurement induction programmes for all new appointees	Address shortfall by encouraging involvement with or attendance at training and development courses and events with results monitored and recorded.	Number of authorised or delegated purchasing staff outside Procurement per £m of influenceable expenditure Number of procurement officers to have undertaken formal training & development in the past year	Ongoing Ongoing with quarterly review	PM, APF,SF&E , HR, Budget holders, APUC	MEDIUM	Dashboard 1.4	G
	Managed supplier relationships to simplify doing business with the organisation while driving risk down, performance and value up	Construct customer positioning and supplier relationship matrices to determine appropriate tactical and strategic approaches to supply markets	%s of 'significant' suppliers falling into rethink strategic control leverage positioning categories	Immediate then periodic reviews	PM + Budget holders	HIGH	3.1	A

	Supplier/customer positioning, development and leveraging to assure optimum value delivery while managing supply side risks and opportunities.	Obtain regular customer input/feedback Obtain regular supplier input /feedback	Survey trend analysis Include in annual reports	Periodic [but important to avoid the process becoming burdensome]	PM	MEDIUM	1.5	A
	A robust procurement risk register	Develop weighted impact-and-probability procurement risk assessment methodology	Data drawn from risk criticality rating matrix	Ongoing with regular reviews	PM + SMT	HIGH	1.6	G
To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process	Robust systems analysis and development with optimal exploitation of “e” procurement tools in place	Produce [or review if already produced] a procurement ICT strategy	Benefits reports on - • time saved • faster order-to-delivery • Purchasers directed to approved suppliers, improving compliance and reducing time sourcing items. • price leverage. • reduced costs of stationery, postage, copying and associated admin. • high quality, detailed management information.	Immediate then periodic review	PM, APF,SF&E , ICT	HIGH	1.5	A
	Use of benefits measurement to record efficiencies generated by procurement activity.	Adopt efficiency measurement model or ≡	Measures of • Price reduction. • Added value. • Risk reduction. • Process re-engineering. • Sustainability.	Annual	PM + APUC	HIGH	2.3	A
	Annual customer satisfaction questionnaire	Established a procurement network to gather and disseminate information	Periodic surveys analysed to show satisfaction trend analysis	Periodic [but important to avoid the process	PM	MEDIUM	1.5	G

				becoming burdensome				
				Next due- May/June 2022				
	Annual report records achievement against strategic objectives.	Prepare periodic reports that address both management needs and the requirements of the PR(S)A. Prepare annual report on performance against procurement strategy.	Benchmark report content and scope with peer organisations	Annual – as soon as practicable after each FY	PM + Acc. Manager	HIGH	1.2	G
	Improved management of suppliers by means of performance review with key suppliers.	Gather data on supplier performance. Compare supplier performance using data from internal audits and benchmarking information from other organisations of a similar size	Cost reduction and service improvements reports	Quarterly and Annual	PM + Acc. Manager	MEDIUM	3.1 3.2	A

Objective	Outcomes	Main Actions & Commitments	Key Performance Indicators / Benchmark Data	Completion Date	Responsibility	Priority H/M/L	PCIP Ref Lite	RAG
To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty	Appropriate use of tools to embed relevant and proportionate requirements into contracts, encourage good practice and analyse opportunities to maximise social, economic and environmental outcomes through procurement action	Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty Apply the prioritisation methodology, Flexible Framework, SUSTAIN etc. to develop action plans, contracting strategies and to focus resources	Number and value of relevant contracts as % of total regulated contracts Achievement of Level 3 FF	Annual Reporting	PM + Budget holders	HIGH	1.2 2.2 2.4	G
				End 2022	PM + APUC	MEDIUM	1.3	A
	Consideration of whole life costs, environmental and social impacts in assessment of value for money	Embed sustainable procurement duty processes in commodity and category strategies, tender docs & evaluation criteria	Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total	Ongoing review and annual reporting	PM + Acc. Manager	HIGH	2.3 2.4	G
	Reduced demand for goods and services by cutting down on waste, and encouraging re-use and re-cycling and use	Develop internal training and guidance	Maintain a waste hierarchy record – • waste prevention, • reused, • recycled, • recovered including energy recovery • safe disposal.	ongoing	PM + Estates+ APUC	MEDIUM	1.4	G

	of the least environmentally damaging goods and services							
	Suppliers led to: <ul style="list-style-type: none"> • promote awareness of sustainability objectives • adopt sustainable approaches in production of goods/services within their own supply chains • improve their performance in relation to sustainability objectives • address barriers to entry of SMEs and local suppliers 	Organise supplier engagement and supplier ‘conditioning’ sessions to advise on organisational objectives under the sustainable procurement duty	Number of suppliers engaged. Improved outcomes recorded and reported Forward targets and strategies in place	Ongoing	PM + Contract Leads + APUC	MEDIUM	3.1	G
	Take account of climate and circular economy in procurement activity and seek to address.	Embed sustainable procurement into processes - commodity and category strategies, tender docs & evaluation criteria	Carbon reduction targets, measurement and reporting		PM + Contract Leads+ APUC Acc. Manager	H	2.3 2.4	G