



Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba

SPPA Procurement Strategy 2023-2025

V1.0 September 2023

Document Ref: SPPA-PS-2023



Governance and Approvals

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Amendment suggestions should be made to michelle.lee@gov.scot

Version Control

Version	Date	Status	Reason
0.1	24/03/2023	Draft	Initial draft
1.0	12/09/2023	Final	

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Section 1 – Introduction and executive summary

The Scottish Public Pensions Agency (SPPA) is an executive agency of the Scottish Government. We provide pension administration services and payments to members of Scotland's NHS, Teachers', Police and Firefighters' pension schemes. We also provide calculation services for the Scottish Parliament and Scottish Legal Aid Board pension schemes. Our 500,000 customers are all current or former public servants, or their employers. Our Policy department maintains scheme regulations and provides policy advice to the four main schemes, as well as to Scotland's Local Government pension scheme.

This updated procurement strategy updates the plans laid out for 2023 - 2025. It sets the direction for all planned procurement activity for 2023 - 2025, which is also the period covered by SPPA's Corporate plan. It supports the Scottish Government's Public Procurement Reform Programme (PPRP) which aims to make best use of public money and our obligations to support the Scottish Government's purpose of creating a more successful country, with opportunities for all through increased sustainable economic growth. Our strategy will be reviewed annually in line with SPPA's strategic plan.

Our strategy is informed by the Public Contracts (Scotland) Regulations 2015; the Procurement Reform (Scotland) Act 2014; and the Procurement (Scotland) Regulations 2016. It's designed to help us maintain a responsible, sustainable approach to procurement. In particular, it aims to demonstrate a clear, well-structured approach to our procurement activities, stating what we'll do and how and when we'll do it.

To help us do this, we've set these principle objectives:

- To make the procurement process clear and structured in a way to achieve best value for money.
- To make procurement fair, transparent and cost-effective, complying with all relevant legislation.
- To manage contracts appropriately across their life-cycle.
- To properly research each procurement exercise, considering alternatives and market forces.
- To fulfil our contractual obligations and pay our creditors on time.
- To carry out procurement with appropriately trained officers, guided by procurement professionals who are bound by the Chartered Institute of Purchasing and Supply Code of Ethics, and use professional procurement support from the Central Government Procurement Shared Service team where appropriate.
- To increase our colleagues' knowledge and capability around procurement.
- To commit to this strategy and communicate it clearly, so we can continue to improve our performance, make financial savings and contribute to our corporate and social responsibilities including the climate emergency.

Section 2 – Strategic Context

Scottish Public Sector Procurement

Scottish public sector procurement is governed by the Public Contract (Scotland) Regulation 2015; the Procurement Reform (Scotland) Act (PRSA) 2014, the Procurement (Scotland) regulations 2016.

Procurement is a legislative framework and SPPA interprets and implements both domestic and international legislation as well as meeting the objectives of the Scottish Government and the PRSA 2014.

SPPA will continue to contribute to Scotland's National Outcomes and support the achievement of the National Performance Framework outcomes in all our procurement activity, in particular through use of the PRSA 2014. Specifically, economic activity and sustainability drivers will be acted upon, some of which include the following:

a) BREXIT

As a result of the UK's exit from the European Union on 31 December 2020, various gaps arose within domestic legislation. These have been addressed through a number of different pieces of amending legislation which provided the necessary technical changes to the relevant legislation – namely, the Public Contracts (Scotland) Regulations 2015 (PC(S)R 2015), the Procurement Reform (Scotland) Act 2014 (PR(S)A 2014) and the Procurement (Scotland) Regulations 2016 (P(S)R 2016).

At the same time as leaving the EU, the UK acceded to the World Trade Organisation's (WTO's) Agreement on Government Procurement (GPA) in its own right, having previously been party to the agreement as a member of the EU. This prompted further technical changes to public procurement rules in Scotland.

Accordingly, amendments have been, and continue to, be made to the legislation.

SPPA have taken forward amendments (made by Scottish Government) in relation to the known changes which are largely technical in nature and do not impact on procurement procedures which remain fundamentally unchanged. SPPA will keep abreast of developments and introduce new requirements as required.

b) Procurement Reform Scotland Act 2014

SPPA have embedded sustainable procurement to be business as usual where appropriate by utilising.

- Sustainable Procurement Flexible Framework
- Scottish Government Sustainable Procurement Prioritisation Tool
- The Sustainability Test

The Procurement Reform (Scotland) Act 2014 places an obligation on SPPA, that when carrying out a regulated procurement that we consider how we can include sustainable procurement.

c) Provision of Food

If we are procuring food, we will ensure we aim to be a promoter of regional produce and specify the minimum standards expected. This may include promoting the highest standards of animal welfare, delivery of good nutritional value, the promotion of good health and education, customer dietary and cultural requirements, protection of the environment and avoiding the use of unnecessary natural resources and waste while contributing towards economic development.

Section 3 – Our Procurement Vision and Objectives

Our aim, mission, vision and values

Our **aim** is to deliver high quality, customer focussed, effective service to maximise efficiency and deliver best value to tax payers in Scotland.

Our **mission** is for public procurement in SPPA to deliver quality, cost effective public service outcomes and improved efficiencies for the benefit of SPPA, its stakeholders and local community.

Our **vision** is to provide a managed procurement service to support value for money in SPPA's purchasing decisions, while supporting financial sustainability and meeting all statutory obligations, with particular regard to UK and EU procurement regulations, the Equalities Act 2010, and environmental legislation.

Our **values** underpin our aim, mission and vision:

- improve every day
- bring the outside in
- always add value

Achieving our vision

We will achieve our vision by:

- delivering value for money which balances cost, quality and sustainability
- helping SPPA carry out its purpose through effective contract and supplier management
- treating all suppliers and potential suppliers equally, without discrimination
- complying with all relevant regulations while performing our procurement duties
- have skilled Procurement and Commercial team members.

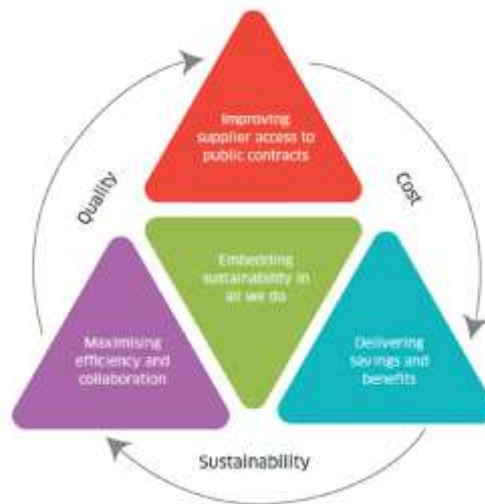
To be compliant we will:

- include community benefit clauses where possible in any contract opportunities
- consult and engage with stakeholders affected by our procurement
- negotiate with current suppliers to ensure payment of a Real Living Wage to their employees and throughout the supply chain. Real Living Wage payment and workforce matters will be encouraged in all relevant future contracts
- promote compliance with the Health & Safety at Work Act 1974 by contractors and sub-contractors
- ensure that the goods and/or services procured by contractors and sub-contractors are fairly and ethically purchased
- utilise the sustainable public procurement prioritisation tool
- share best practice with Scottish Government and the wider public sector.

Working as an agency of the Scottish Government

Our strategy supports both SPPA's organisational aims and objectives and the [Scottish model of procurement](#) and the [Scottish public finance manual](#). We developed our approach together with the Central Government Procurement Shared Service.

Figure 1: Scottish Model of Procurement



We will have a commodity strategy for each procurement project valued at £50,000 or over. Each strategy is supported by the sustainability test and the [Sustainable Public Procurement Prioritisation Tool](#) (SPPPT) where appropriate. The tool identifies ways we can include social, economic and environmental considerations in contracts.

The strategy ensures full compliance with this framework. It promotes effective, compliant procurement and strikes a balance between a high-level framework for delivering excellent procurement and a detailed plan to address specific targets.

Paying our suppliers

We're committed to paying all undisputed invoices within 10 days. We regard payment as being made once funds are with the supplier, which will usually be one or two days after instructions are sent to our bank. Payment performance is closely monitored by HM Treasury. The Scottish Government's target is to pay all bills on time, with no department falling below 95%.

It is the Policy of the Scottish Government policy to pay all suppliers by BACS (Bankers Automated Clearing Services). All suppliers who wish to deal with the Scottish Government, its agencies or associated departments are asked to provide BACS details.

We require all payments to sub-contractors and throughout the supply chain to be made in 30 days of receipt of a valid invoice. This is stipulated in the Scottish Government's standard Terms and Conditions and [SPPN 2/2022](#) which will support economic recovery.

Section 4 – Our procurement priorities

Our priorities are:

Over the two-year period covered by this strategy we will continue to build the capability and capacity of our procurement and commercial team with the aim of making sure that our procurement function has the skills and ability needed to provide most of our procurement activity by the end of the 2024/2025 financial year.

We aim to build a skilled, diverse and inclusive procurement and commercial team that considers our values in everything it does.

To achieve this we will do the following.

- Ensure a highly skilled Procurement and Commercial Team, supported by competency based learning and development programme utilising the Scottish Government Procurement Competency Framework which had been recognised and adopted by the EU.
- Through the Scottish Government Competency Framework identify professional development opportunities to add to the experience and skills of our Procurement and Commercial Team.
- Use the Procurement Competency Framework and one-to-one discussions to identify any skills needed by our staff, invest time in personal development, and support our staff through coaching and mentoring.
- Support procurement and commercial staff to gain professional qualifications and continuing professional development.
- Provide appropriate training and guidance to all staff involved in the procurement process.
- Focus on team-working with internal and external stakeholders to make sure we can deliver procurement outcomes successfully
- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010.
- Utilise the e-learning modules which are available.
- Raise the profile of Procurement through effective communication and engagement with stake holders.

We will develop an efficient procurement function that helps us provide our services.

To achieve this we will do the following.

- Actively manage the way workloads are prioritised and resources allocated.
- Encourage early involvement and consultation with business areas to make sure business cases explore all options and demonstrate the risks, benefits and value for money of contracts.
- Work with stakeholders to carry out effective market research and involve suppliers.
- Lead the procurement process, supporting stakeholders in developing specifications and making sure sustainability and accessibility are considered at every stage.
- Develop website guidance and advice for suppliers and potential suppliers on doing business with us.
- Identify and gather evidence to support us, through our next Procurement Commercial Improvement Programme assessment in 2022/23

We will work with our contractors to improve performance, identify further opportunities for working more sustainably, promote fair working practices, support immediate and longer-term resilience in critical supply chains, and increase transparency in supply chains.

To achieve this we will do the following.

- Embed Fair Work First (FWF) guidance in our tender process where relevant and proportionate, and work with our contractors to promote fair working practices and Real Living Wage Scotland.
- Monitor FWF commitments made by our suppliers through our contract management processes

- Promote the Scottish Business Pledge as part of our procurement and commercial activities.
- Follow Scottish Procurement Policy Note 3/2021 – Implementation of Fair Work First in Scottish Public Procurement. This explains how public bodies should apply the Fair Work First criteria and follow regulated procurement processes.
- Work with stakeholders to develop and put into practice an approach to contract management that is based on risk and taking action that is in proportion to that risk.
- Work with contractors to discuss how they meet our expectations, ethical supply chains and sustainable development.
- Identify opportunities to help us become more sustainable through the contracts we award, and monitor progress by managing those contracts effectively.

We will make sure our procurement opportunities are accessible to small to medium enterprises, third-sector organisations and supported businesses.

To achieve this we will do the following.

- Advertise contracts and supply-chain opportunities by using the Public Contracts Scotland portal or the Public Contracts Scotland – Tender portal.
- Work with contractors to encourage small to medium enterprises, third-sector organisations and supported businesses to be a part of our supply chain where possible.
- Use the Scottish Government Supported Business Framework whenever appropriate.

Annex A sets out our list of planned contracts, including renewals.

We will make sure all our procurement activities meet legislation.

To achieve this we will do the following.

- Make sure all policies, documents and processes take account of relevant legislation.
- Provide annual Personal Development Plans with associated training and incorporate the knowledge transfer of new Legal updates to the Procurement and Commercial Team.
- Provide stakeholders with copies of our procurement policies and help them apply these.
- Develop guidance and templates in line with the Procurement Journey.
- Report on our procurement activity and publish annual procurement reports.
- Put in place improvements following audits, project reviews and external assessments.
- Take forward Continuous Improvements through Lessons Learned
- Seek community benefits for relevant contracts over £4 million. In addition, where relevant and proportionate to the subject matter, will consider Community Benefits for all procurements greater than £1 million.
- Arrange peer reviews for high risk contracts.
- Seek legal guidance where appropriate.

We will make sure that our contribution to sustainable-development challenges are included within our procurement practices.

To achieve this we will do the following.

- Use appropriate tools to increase opportunities for our procurement activities to have positive social, economic and environmental outcomes.

- Follow Scottish Procurement Policy Note 1/2021 – Taking Account of Climate and Circular Economy Considerations in Public Procurement, and use relevant tools to help us develop action plans and strategies for awarding contracts and directing resources to where they are needed.
- Increase the knowledge, skills and capability within the Procurement and Commercial Team and across our stakeholders, including making sure that all stakeholders know that they need to be more aware of the effect they can have on climate change and how to access e-learning that is available through the Sustainable Procurement Tools platform.
- Consult appropriate experts.
- Work with business areas to carry out market research, and include commercial, operational and sustainability considerations in this research.
- Actively work with suppliers and ask them to help us arrange and deliver sustainable solutions throughout the life of a contract.
- Take forward multi-lotting approaches to encourage the inclusion of SMEs where possible.
- Work with SME's to assist SME inclusion and support sustainability through spend activity.
- Use recognised standards in our specifications where these are available and relevant.
- Manage contracts to make sure they provide the social outcomes we want to achieve.
- Include the sustainable procurement duty in our processes to make sure we fully consider costs, environmental impact and social effects over the whole life of an item or service when assessing value for money.
- Develop internal templates and guidance to help reduce demand for goods and services by cutting down on waste, and encouraging people to re-use and recycle, and to use goods and services that do the least harm to the environment.

Other considerations

Data Protection / Cyber Security

Some contracting opportunities for SPPA will include a requirement for the supplier to access personal data of various different groups. SPPA will ensure that any such requirements provide the necessary data protection provisions within the contract, in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. Procurement will also look to engage with the Scottish Government Cyber Security team to improve the cyber security of the supply chain in line with the Scottish Public Sector Supplier Cyber Security Guidance Note. Where appropriate SPPA will use the Cyber Security Procurement Support Tool (CSPST).

Contract Management

SPPA has a wide range of providers and contracts in place. From the large Pensions Platform and payroll system to small locally managed grounds maintenance contracts.

The need to improve service levels means that there is a real need for commercial relationships to be proactively managed to identify and maximise performance improvements.

There are four key areas to contract management:

- Contract administration
- Supplier relationship management
- Performance management (Key Performance Indicators/Service Levels)
- Continuous improvement

Contract Management will be managed in line with our internal Contract Management guidance. Contract management is devolved from procurement in SPPA, we will look to

encourage best practice and embed contract management into all contracts SPPA manage.

Reporting Procurement Performance (Data Analytics / Spend Management Information)

SPPA can capture contract spend through the EASEbuy system and can interrogate to report on actual spend per contract.

New additional Procurement Performance Measures will be introduced which identify areas for organizational improvements within the procurement process.

On a quarterly basis Procurement issues contract registers to business areas for planning purposes and also the SPPA Top 10 suppliers.

SPPA will develop a product road map in relation to spend management information and data analytics. Data Analytics and Spend Management Information assist to inform buying decisions.

Section 5 – Delivering value for money

Value for money (VfM) is the optimum combination of whole-life cost and quality (or fitness for purpose) within a procurement to meet SPPA's requirements. Suppliers would be required to demonstrate how this is designed into their solution/offering. Depending on the nature of the contract, whole-life cost may include implementation costs, on-going operating costs and end-of-life disposal which would support the circular economy.

In awarding contracts, we balance the quality of the goods, services and works against price. To do this we frame contract specifications to encourage innovation, rather than defining the solution.

Make sure our procurement team has suitable skills and competency levels to undertake their duties, we will complete the Scottish Government's Procurement Competency Framework document annually. The framework helps individuals take ownership of their personal development through skills assessment, identification of training and development needs and career planning.

SPPA will assist the Scottish Government to put in place collaborative agreements for the supply of goods, services and works. SPPA will utilise collaborative framework agreements for the supply of goods, services and works.

Section 6 – Performance Monitoring

The Procurement teams progress is measured in a number of ways:

The level of purchasing compliance through the use of SPPA central contracts.
The number of procurements conducted in a timely manner.

Internal Performance Measures –

SPPA have a number of specific measures agreed internally with the Head of Finance Procurement and Risk to monitor performance. These include measures on the following areas: number of and values of contracts placed, % of contracts placed within agreed timescales, spend compliance, value for money savings, % expenditure to SME's,

expenditure awarded to supported businesses and staff development. Commercial Maturity improvements.

Internal Work plan Actions

Work plan actions agreed with Head of Finance Procurement and Risk to deliver upon procurement team objectives which in turn are clearly linked to SPPA Strategic Goals. All work plan measures and actions are reviewed annually with progress reporting quarterly.

The Procurement & Commercial Improvement Programme (PCIP) - The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations. SPPA will continue to participate in this programme.

Periodic Review of the SPPA Corporate Procurement Strategy

The strategy will be reviewed on an annual basis following publication and revised as required.

Other matters

SPPA will address any other matters as the Scottish Ministers specify.

Section 7 – Governance

This is our governance framework:

- SPPA is directly accountable to Scottish Ministers through a framework document which sets out financial responsibilities, including purchasing
- the Chief Finance Officer has overall responsibility for procurement and reports to the Executive Team (ET) regularly
- ET report to the Management Advisory Board (MAB) and Audit & Risk Committee (ARC) quarterly
- ET review the contracts register annually, making decisions as appropriate
- any new procurement over £10,000 is tabled with the relevant ET member with a business case
- all procurements are managed by the Procurement Manager, or a member of staff with designated purchasing authority, with support from the Procurement Manager
- all contracts are assigned a contract manager who is responsible for contract reviews and managing any supplier issues
- employees must complete training before becoming a designated purchasing authority or contract manager
- SPPA are audited regularly by Scottish Government Internal Audit and Audit Scotland

We use the Scottish Government procurement journey to ensure best practice, consistency and compliance with legislation. Advice and guidance is also sought from the Scottish Procurement & Property Directorate.

Section 8 – Policies, tools and procedures

SPPA uses these policies, processes and procedures:

- Scottish model of procurement

- [changes to European directives](#)
- [public procurement reform programme](#)
- [EU procurement thresholds](#)
- [procurement journey](#)
- [public contracts Scotland](#)
- [community benefits](#)
- [fairly and ethically traded goods](#)
- [Fair Work framework](#)
- [real Living Wage](#)
- [Modern slavery](#)
- [cloud first policy](#)
- [Sustainable procurement](#)
- [National Performance Framework](#)
- [SG Frameworks](#)
- [Climate change and circular economy](#)
- [Scotland's Zero waste plan](#)

Tools

The tools to help us achieve best value and sustainable procurement include:

- [procurement toolkit](#) (from the Scottish Government procurement journey)
- [procurement journey](#)
- [Scottish Government sustainable tools](#)
- [flexible framework](#)
- [the cyber security procurement support tool](#)

Section 9 – Doing business with SPPA

As a public sector body, we advertise all contract opportunities with a lifetime value of £50,000 and above on the [Scottish public sector portal](#) (PCS). Suppliers must register with PCS to receive notification of possible contract opportunities. [The supplier journey](#) gives guidance and advice on tendering for public sector contracts in Scotland.

Section 10 – Annual procurement report

Under the 2014 Act, we also have to prepare an annual procurement report to reflect on our performance against our procurement strategy.

The reports include:

- information on regulated procurements that we have completed during the period;
- a review of whether those procurements kept to our procurement strategy;
- if any procurements do not comply with our strategy, a statement of how we intend to make sure that future regulated procurements do;
- a summary of community benefit requirements set as part of a regulated procurement that were met during the financial year covered by the report;
- a summary of any steps we have taken to involve supported businesses in regulated procurements during the year; and
- a summary of regulated procurements we expect to begin in the next two financial years. We publish our reports online and make sure these are accessible in a variety of formats.

Section 11 – Strategy ownership & contact details

The owner of the procurement strategy is:

Philip McKibben
Chief Finance Officer
Telephone: 01896 893000
Email: Philip.McKibben@gov.scot

Philip is supported by:

Michelle Lee
Procurement and Contracts Manager
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Email: Michelle.Lee@gov.scot

The procurement strategy covers the period 1 April 2023 to 31 March 2025

Annex A – Future planned new contracts and renewals

Table 1: Planned new contracts 1 April 2022- 31 March 2024

Subject Matter	Contract Type	Expected Notice Date	Expected Award Date	Expected Start Date	Estimated Contract Value
Facilities Management	RE-TENDER	September 2023	January 2024	1 April 2024	£600,000
SPPA Hosting Services	RE-TENDER	July 2024	August 2024	September 2024	£110,000
Penetration Testing	RE-TENDER	January 2024	March 2024	April 2024	£20,000
Office Equipment	RE-TENDER	December 2023	February 2024	27 March 2024	£16,000
Secure Mail	RE-TENDER	June 2024	September 2024	9 November 2024	£11,500