

# The Scottish Government Procurement Strategy

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April 2022 – March 2024





# Contents

<b>1.</b>	Foreword from Nick Ford, Director, Procurement and Property	<b>4</b>
<b>2.</b>	Introduction	<b>6</b>
<b>3.</b>	Vision and Mission Statements	<b>14</b>
<b>4.</b>	Strategy Rationale and Context	<b>16</b>
<b>5.</b>	Strategic Aims and Objectives	<b>20</b>
<b>6.</b>	Contract Profile	<b>28</b>
<b>7.</b>	Capability and Professionalisation	<b>31</b>
<b>8.</b>	Supplier Engagement and Contract Management	<b>34</b>
<b>9.</b>	Monitoring, Reviewing and Reporting on Strategy	<b>38</b>
<b>10.</b>	Strategy Ownership and Contact Details	<b>40</b>
	Appendix 1 – Sustainable Procurement Tools	43
	Appendix 2 – eCommerce and Procurement Best Practice Shared Service	44
	Appendix 3 – Policies, Tools and Procedures	47
	Appendix 4 – Talent Creation, Development and Retention Programmes	54
	Appendix 5 – Governance	55

# 1.

## Foreword from Nick Ford, Director, Procurement and Property - April 2023 update





As part of the Plan for the Future, the first ever **Public Procurement Strategy for Scotland** has been developed through cross-sectorial collaboration. The Public Procurement Strategy for Scotland provides a future high-level 5 year vision and roadmap for **all** Scottish public procurement bodies to align with.

This document, the Scottish Government Procurement Strategy (2022 - 2024), aligns with and supports the delivery of the Public Procurement Strategy for Scotland, demonstrating our leadership and commitment to this unified vision and ambition.

In time, we expect all public bodies to align their public procurement visions and ambitions against the Public Procurement Strategy for Scotland. By doing so, we can put public procurement at the heart of a sustainable economy to maximise value for the people of Scotland.

We, the Scottish Government, will use our spending power to deliver in a way that is good for the people of Scotland. Our aims are already aligned to the four outcomes for public procurement, which are reflected in the Public Procurement Strategy for Scotland. These are: good for businesses and their employees, good for society, good for places and communities, and open and connected.

As we look to the future and the economic and societal challenges we face, we must be bold, progressive and ambitious, leveraging the full Power of Procurement as we continue to deliver on our obligation to provide better impact and outcomes for the people of Scotland.

Striving to become a Net Zero Nation, it's also imperative that we become a Fairer Scotland, doing more for the places and people we serve. Not only do we want Scotland to be the best place to do business, we also want it to be the best place to live and work and we will continue to work in a way that is mindful of our impact on society with Fair Work as our foundation.

This strategy is a key element in our Plan for the Future and sets out how we will:

- strengthen the role of procurement as an enabler in delivering a wellbeing economy;
- drive maximum savings, benefits and efficiency of approach for the taxpayer and provide excellent stewardship of Scotland's resources and help to mitigate the impacts of the cost of living crisis;
- create a more joined up approach to procurement and property across the Scottish public sector to support public sector reform; and
- improve capability of staff, systems and processes across the public sector.

With our progressive approach and innovative thinking, we can deliver Fair Work practices, a strong recovery and provide maximum value for the communities, businesses and people of Scotland.

**Nick Ford – Director, Procurement and Property**

## 2. Introduction



This document sets out the Scottish Government's procurement strategy for 2022-2024. It also describes how we plan to carry out our procurements for the period 1 April 2022 to 31 March 2024. It reflects our performance as a contracting authority and some broader activities we undertake in leading and delivering strategic governance, procurement policy, capability and eCommerce solutions across the Scottish public sector.

The strategy covers commitments described in [Scotland's National Strategy for Economic Transformation](#) that was published in March 2022 and the [Scotland's Programme for Government](#) published in September 2021. This includes using the £13.3 billion annual procurement spend across the Scottish public sector to boost inclusive economic recovery, support longer term economic wellbeing, a just transition to net zero and to support our response to the climate emergency. In doing so, we will work collaboratively across the public sector. Our tools and guidance will influence and empower buyer, supplier and key stakeholder communities to use public procurement to support an inclusive and green economic recovery.

Overall, this strategy outlines how we will use the Power of Procurement to deliver and influence outcomes that are good for businesses and their employees, good for places and communities, good for society, and that are open and connected with the communities we serve.

The broad principles and policies described in this document are expected to remain relevant until at least 31 March 2024. We will, however, continue to review the strategy at least once a year and make changes to it if required, to ensure that it remains current. We will publish any new versions on our website.

## 2.1 The Scottish Procurement and Property Directorate (SPPD)

The Scottish Government is responsible for developing public procurement policy and legislation in Scotland and, like all public sector organisations, its own procurement activity. These functions are managed through the Scottish Procurement and Property Directorate.

The directorate is made up of six divisions and our role is to lead and deliver public procurement in Scotland at national, central government and Scottish Government levels.

We maximise impact and leverage for economic and social benefit, deliver a best-in-class Procurement and Property Service and provide leadership and influence impact on the wider sector.

Our work focuses on facilitating procurement and property activities through:

- delivery and management of various collaborative agreements and contracts;
- procurement and commercial policy and advice;
- construction procurement policy and advice;
- property, asset and estate management policy and advice;
- eCommerce, Management Information and procurement best practice tools and templates;

- people capability and skills development;
- knowledge sharing and driving engagement across the public sector in Scotland;
- reviewing how we manage projects; and
- continuously aiming to improve our performance.

### Scottish Procurement and Property Directorate

#### Collaborative Procurement Division (CPD)

#### Directorate Business Management Unit (DBMU)

#### Property and Construction Division (PCD)

#### Procurement and Commercial Policy and Strategy (PCPS)

#### Procurement eCommerce and Best Practice (PeBPD)

#### Procurement Services Division (PSD)

#### Delegated Purchasing Officer (DPO)

[More information on SPPD.](#)



## 2.2 Our Contracting Activity

Our contracting activity is broad. We buy on behalf of Scottish Ministers, provide contracting support to the wider public sector in Scotland through framework agreements and provide procurement support to Scottish Government agencies and Non-Departmental Public Bodies (NDPBs).

Our contracting activity covers four main areas:

- **Scottish Government core contracts:** contracts for Scottish Government use only.
- **Central Government Agencies and NDPBs:** non-collaborative contracts that we place on behalf of individual public bodies in the Scottish central government family.
- **Sectoral collaborative frameworks:** these are let by the Scottish Government for use across the central government family of organisations including agencies and NDPBs.
- **National collaborative contracts/frameworks:** we provide framework agreements and contracts for commonly purchased goods, services, utilities and works which are used across the public sector.



## 2.3 Our Stakeholders

A wide range of people are interested in our work and engage with us, including:

- those we provide procurement, property and related services to;
- those who work with us to improve how public procurement is conducted in Scotland;
- key representatives of the professions and business communities we work with;
- the companies and organisations we buy goods, works and services from; and
- colleagues in other government departments or areas of the public service.

We promote early engagement with our stakeholders and customers to improve commercial outcomes. Our role within this landscape has expanded:

- from leading processes and procedures to one where we strive for even greater impact and influence;
- from having a focus on contracting and compliance to being a critical friend and trusted adviser;
- from approving and endorsing to stimulating and challenging approaches; and
- from central resourcing to flexible resourcing models.



## 2.4 Our Leadership and Consultation Roles

The following sections provide details on some of our leadership and consultation roles across the public sector including groups and forums.



## 2.5 The Public Procurement Group (PPG)

The PPG is the leadership group for public procurement across Scotland. It is made up of the heads of Procurement Centres of Expertise and senior Scottish Government procurement officials, who work together to set the strategic direction for public procurement in Scotland. The PPG has developed a set of [public procurement priorities](#) for all public sector procurement leaders. The PPG meets quarterly to review progress against these priorities and is supported by the following:

- The Collaborative Leads Group;
- The Procurement Policy Forum;
- The Climate and Procurement Forum; and
- The Professional Practice and Development Forum.

These forums alongside the Construction Leadership Forum and the Procurement Innovation Leadership Forum provide other means of collaborative, cross-sector engagement on policy, practice, information sharing and innovation.

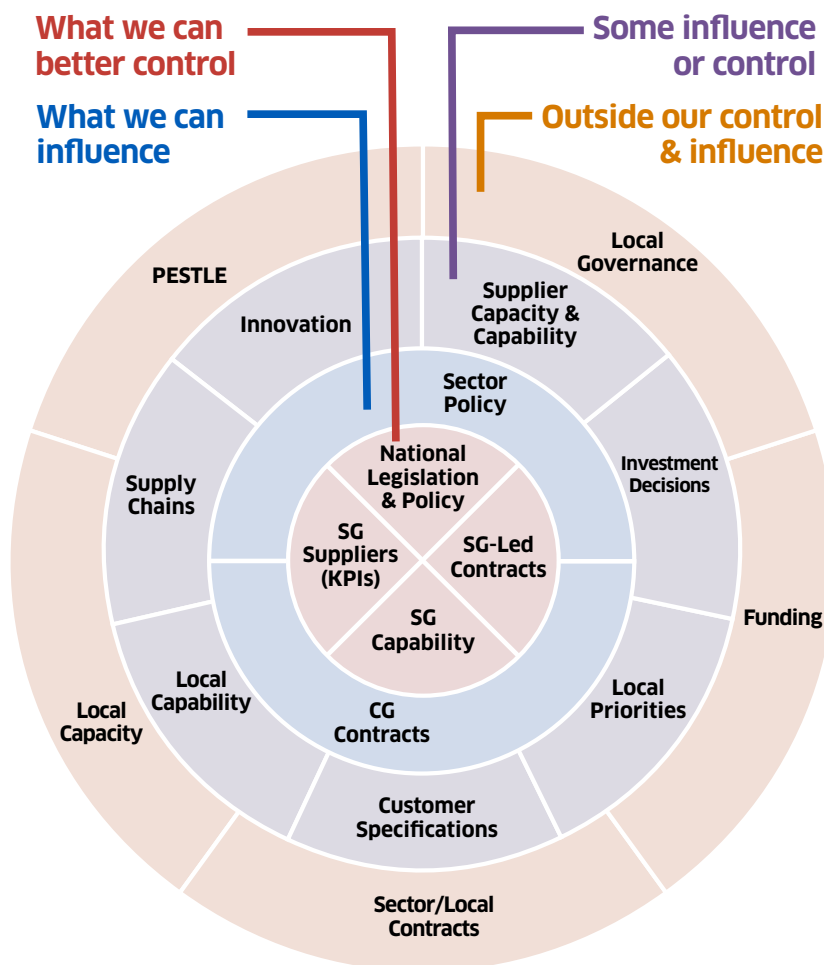
## 2.6 The Procurement Supply Group (PSG)

The PSG is a collaborative group with representation from the Scottish Government and representative bodies for business and the third sector. It meets quarterly to discuss and influence public procurement policy and practices as these affect suppliers, in particular, small and medium sized enterprises (SMEs), the third sector and supported businesses<sup>1</sup>. The PSG is consulted on key policy developments, issues that affect suppliers and procurement priorities, and helps to inform improvement opportunities.

### 2.6.1 Other Strategic Supplier Engagement and Support

We further engage with and support suppliers through direct engagement with representative bodies, the Supplier Development Programme, SME round tables, supplier surveys, forums and benchmarking. The Scottish Government is responsible for public procurement policy in Scotland and engages with the UK Government and other devolved administrations to share approaches and best practice.

#### Sphere of Influence<sup>2</sup>



1 As defined in the [Procurement Reform \(Scotland\) Act 2014](#).

2 PESTLE: External Factors - Political, Economic, Sociological, Technological, Legal and Environmental.

## 2.7 Sustainable Procurement Duty

In accordance with the [Procurement Reform \(Scotland\) Act 2014](#) (The Act), we need to think about, and act on, how each regulated<sup>3</sup> procurement process carried out by us can improve the economic, social and environmental wellbeing of the area in which it operates. We also facilitate the involvement of SMEs, third sector bodies and supported businesses, supporting innovation and acting on our findings.

We host a suite of [sustainable procurement tools](#) to enable ourselves and other public sector organisations to identify and address how they can optimise the economic, social and environmental outcomes of their procurement activity. More detail can be found in [Appendix 1](#).

Compliance with the sustainable procurement duty ensures that procurement activity is aligned to priorities that are set out in the National Performance Framework. Compliance with the duty also helps us to meet other legal obligations on procurement including climate change, equality obligations and human rights.

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<sup>3</sup> Regulated procurements are contracts of values of £50,000 and above for goods and services and £2 million and above for works. More information can be found in [Appendix 5](#).

# 3.

## Vision and Mission Statements



**The Scottish Government's Vision:** We put the people we serve at the heart of everything we do. We use digital thinking and approaches to strengthen our work and provide a better service for everyone. We are driven by our values, always searching for new ways to learn and improve. All in the service of Scotland.

**The Scottish Government's Mission:** Work together to improve the lives of the people of Scotland.



**SPPD Vision:** To use our collective spending power to deliver sustainable and inclusive economic growth.

**SPPD Mission:** Our strategy is aligned to the National Performance Framework (NPF) and our actions support delivery of it. Through the **Power of Procurement** we deliver outcomes which are Good for Business, Good for Society, Good for Places and Communities, and Open and Connected.

#GoodForBusinessesAndEmployees

#GoodForSociety

#GoodForPlacesAndCommunities

#OpenAndConnected

# 4.

## Strategy Rationale and Context





There has been a substantial programme of activity across the public sector in Scotland to improve public procurement since 2006. We have moved from a centrally led programme to a more collaborative landscape with a shared common vision, underpinned by The Act, which provides clear direction to public sector organisations and sets out clear procurement responsibilities and accountabilities, promoting local decision making. We take account of wider legislation and policy which impacts on

the procurement process. We remain committed to doing more to continually improve procurement approaches and outcomes, assessing the effectiveness of steps already taken.

By doing so, we ensure Scotland has innovative, world-leading legislation, policy and approaches.

The work we undertake is determined by a range of strategic drivers providing the services our customers need.

**Figure: Strategic drivers**



The Scottish Government's key priorities are centred on contributing to Scotland's purpose of creating a more successful country, with opportunities for all to flourish, through increasing sustainable and inclusive economic growth. This is underpinned by the [National Performance Framework](#), [Scotland's National Strategy for Economic Transformation \(NSET\)](#) and the annual [Programme for Government](#) which sets out the plan for policy delivery, [public procurement priorities](#) and legislation over the next year.

We ensure compliance to, and delivery of the priorities through the [sustainable procurement duty](#) as outlined in The Act.

Our strategy continues to support the Scottish Government's work on addressing climate change, tackling child poverty, delivering COVID-19 recovery and building our constitution.

The sustainable procurement duty is supported by tools which include the [National Outcomes](#) and [Indicators](#) and provide a structured approach to what we buy. They help public sector organisations identify opportunities to include economic, social and environmental considerations in contracts and show how our procurement activity contributes to the National Outcomes and, in turn, to Scotland's NSET.

We develop sourcing strategies for each procurement project worth £50,000 or more. This work is supported by the [Sustainability Test](#) and, where appropriate, the [Sustainable Public Procurement Prioritisation Tool \(SPPPT\)](#). We track our contribution to the Scottish Government's purpose and priorities through our compliance with the sustainable procurement duty.

## 4.1 Power of Procurement 2020-2021



SPPD manage **652** live contracts worth **£4.7bn**



**£1bn** public sector spend through Scottish Government contracts and frameworks



**£196m** savings made by the public sector using Scottish Government contracts and frameworks (up 22.5% on previous year)



SPPD issued **223** Invitations to Tender and **100** new regulated contracts



**£329m\*** Scottish Government spend



**295** Scottish Government suppliers



**57%** of our suppliers delivering regulated contracts are SMEs



### Good for businesses and employees

Of the £329\* million that Scottish Government spent through its contracts, **over £106 million went directly to SMEs**, with many more SMEs benefiting through our supply chains; they shared over **£75 million** of spend as subcontractors, at least **£23 million** of that going to Scottish SMEs.

### Good for society

As well as continuing to support thousands of existing jobs, our contracts enabled the creation of **146** brand new jobs, **27** apprenticeships, **31** work placements and **453** qualifications to be achieved through training.

### Good for places and communities

**21 new contracts** were awarded with community benefits present, bringing the total of live contracts with community benefits to **62**.

### Open and connected

Across Scotland, **over 450 organisations** continued to use Public Contracts Scotland (PCS) to advertise contract opportunities. During the reporting period, **11,025 contract opportunities** were advertised and **15,656 suppliers** awarded contracts.



\* The £329m spend figure contains a small proportion of spend with suppliers for which the size and postcode is unknown.

# 5. Strategic Aims and Objectives

Each strategic objective can be aligned with more than one outcome, some with all of them. For the purpose of this strategy, each objective is aligned with the outcome it impacts most.





## Good for Businesses and their Employees

### 5.1 Strategic aim

Maximise the impact of procurement to boost a green and inclusive economic recovery.

**Objectives:**

<p><b>5.1.1</b> Work collaboratively with key partners to support the Supply Chains Development Programme, targeting key sectors of the economy critical to a green and inclusive economic recovery where we see opportunities for increased Scottish manufacturing and increased resilience.</p>	<p><b>5.1.4</b> Working across the industry and government to support post-pandemic recovery.</p>
<p><b>5.1.2</b> For post-pandemic recovery, issue Construction Policy Notes as and when necessary to assist and guide public sector organisations involved in construction projects.</p>	<p><b>5.1.5</b> We will continue to work with UK Government colleagues and other devolved administrations to share approaches and leverage good practice.</p>
<p><b>5.1.3</b> Continue to improve prompt payment in the supply chain for public sector contracts, including the use, where appropriate, of project bank accounts.</p>	



## 5.2 Strategic aim

Promote and enable **innovation** through Procurement. [A short video on innovation through procurement is available to view.](#)

### Objectives:

<p><b>5.2.1</b> Create and embed supplier-led <a href="#">National Innovation Service</a><sup>4</sup> inclusive of triage, assessment and delivery.</p>	<p><b>5.2.5</b> Create guidance for suppliers and buyers for innovation.</p>
<p><b>5.2.2</b> Continue to adopt an innovative and flexible approach to the procurement of Digital Services through the use of Dynamic Purchasing Systems (DPS) building on existing arrangements for Digital Technology Services, Telephony Services, Network Advice and Internet of Things<sup>5</sup>.</p>	<p><b>5.2.6</b> Support the <a href="#">CivTech</a> Programme expansion which includes; improving access to procurement opportunities for business including SMEs by enabling CivTech alumni companies easier and immediate access to appropriate procurement routes such as DPS or national frameworks such as the Software Value Added Reseller Framework.</p>
<p><b>5.2.3</b> Continue to use Digital Commercial Service and other projects to allow Scottish Government and the wider public sector to create new innovative services. These services may benefit from new and innovative procurement/commercial models and digital technologies. Continuing to provide high quality engagement with industry, improving supplier understanding, supplier numbers and quality of submissions.</p>	<p><b>5.2.7</b> Develop Public Contracts Scotland (PCS):</p> <ul style="list-style-type: none"> <li>• promote industry involvement in innovation in the public sector through improved transparency;</li> <li>• improve innovation processes;</li> <li>• promote innovation in contracts through the use of the sustainable procurement duty; and</li> <li>• enable reporting of innovation at a local and national level.</li> </ul>
<p><b>5.2.4</b> Lead and support the Procurement Innovation Leadership Group to improve outcomes of procurement activity and the impact of public sector budgets relating to innovation.</p>	<p><b>5.2.8</b> Consider innovation for all regulated procurements, continuing to innovate procurement processes to broaden engagement of SMEs. Working with other parts of government and the public sector, to create innovative procurement/funding models.</p>

4 [innovator.scot](http://innovator.scot) will go live Spring/Summer 2022.

5 The Internet of Things broadly means a network of connected devices which have sensors, software, network connectivity and the necessary electronics to enable them to collect and exchange data. Examples that can fall into the scope of Internet of Things include: connected security systems, thermostats, cars, electronic appliances, lights, speaker systems, and vending machines amongst others.



## Good for Places and Communities

### 5.3 Strategic aim

Continue to use public procurement as a means to drive wellbeing by creating quality employment and skills and providing opportunities for Scottish SMEs, third sector and supported businesses to bid for public contracts and to participate in public sector supply chains.

**Objectives:**

<p><b>5.3.1</b> Ensure that we maximise the impact of procurement in achieving social and economic outcomes across Scotland.</p>	<p><b>5.3.5</b> Consider community benefit opportunities at the development stage of our regulated procurements and where appropriate, request either mandatory or voluntary community benefits.</p>
<p><b>5.3.2</b> Develop and maintain a framework of procurement policy and legislation that supports Scottish Government purpose, a green and inclusive recovery and longer-term wellbeing - researching and benchmarking opportunities for improvement and setting out recommendations to drive change.</p>	<p><b>5.3.6</b> Support the principles of the <a href="#">No One Left Behind</a> delivery plan through targeted equality and employability-related Community Benefits in Procurement.</p>
<p><b>5.3.3</b> Actively consider socio-economic outcomes early in procurements and commissioning activity, and take action to create employment and training opportunities and opportunities for our indigenous private and third sector businesses.</p>	<p><b>5.3.7</b> Improve commercial opportunities for supported businesses and drive increased uptake of national frameworks.</p>
<p><b>5.3.4</b> Build and enable diverse and resilient supply chains.</p>	



## 5.4 Strategic aim

To advance towards net zero emissions by 2045: decarbonising our homes, buildings, and transport, and restoring and protecting our natural environment in a just and fair way.

### Objectives:

<p><b>5.4.1</b> Ensure that Climate Change and Circular Economy considerations are at the heart of all our activities.</p>	<p><b>5.4.6</b> Drive uptake of our best-in-class national frameworks to facilitate procurement of environmentally-friendly goods, works and services.</p>
<p><b>5.4.2</b> Challenge <i>whether we buy, what we buy and how much we buy</i>, as well as considering <i>how we buy</i>.</p>	<p><b>5.4.7</b> Drive uptake of the Non Domestic Energy Efficiency (NDEE) Frameworks.</p>
<p><b>5.4.3</b> In line with the <a href="#">Scottish Government and Scottish Green Party - Shared Policy Programme</a>, we will actively consider the impacts of Climate Change and related environmental considerations early in procurements and commissioning activity, and apply relevant criteria in all procurement processes, where relevant and proportionate to do so.</p>	<p><b>5.4.8</b> Continue to provide access to green energy for public bodies for use on the public estate.</p>
<p><b>5.4.4</b> Use and promote our <a href="#">sustainable procurement tools</a> including the <a href="#">Climate Literacy e-learning</a> and <a href="#">case studies</a> to build understanding and encourage action across the public, private and third sector.</p>	<p><b>5.4.9</b> Complete the drafting of the Scottish Government’s new sustainable construction procurement policy<sup>6</sup> and supporting guidance for inclusion in <a href="#">The Client Guide to construction projects</a>.</p>
<p><b>5.4.5</b> Work with markets and our supply chains to ensure they are committed and actively engaged in supporting a <a href="#">Just Transition</a> to net zero.</p>	<p><b>5.4.10</b> Engage leaders and encourage a whole systems approach to achieve maximum impact.</p>

<sup>6</sup> Provision of practical guidance that encourages responsible and sustainable procurement practices, enabling the delivery of valuable socially inclusive, environmentally sensitive and economic growth outcomes at every stage of an asset’s life cycle.





**Good for Society**

**5.5 Strategic aim**

**Fair Work First** - Our vision is that by 2025, people in Scotland will have a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. Fair Work First including security of pay and contracts, flexible working and targeted recruitment and training requirements, is the main way in which we use public procurement to tackle in-work poverty and by extension, child poverty.

**Objectives:**

<p><b>5.5.1</b> The Scottish Government is committed to using sustainable procurement to reach its ambition of becoming a Fair Work Nation by 2025.</p>	<p><b>5.5.5</b> Mandate the real Living Wage in all new and relevant Scottish Government public contracts and encourage others to adopt this approach.</p>
<p><b>5.5.2</b> Deliver the <a href="#">Fair Work Action Plan</a> procurement-related commitments, developing and maintaining relevant <a href="#">procurement policy</a> and <a href="#">guidance</a>.</p>	<p><b>5.5.6</b> Continue to record all commitments made by suppliers on Fair Work outcomes and commitments to pay the real Living Wage in our contracts and frameworks. This includes asking bidders if they are signatories to the Scottish Business Pledge and Living Wage accredited.</p>
<p><b>5.5.3</b> Update our Client Guide to construction projects to reflect and help deliver Fair Work First obligations.</p>	<p><b>5.5.7</b> The National Care Service for Scotland will improve the delivery of social care services and employment conditions for social care workers who deliver those services. We will support the development of a National Commissioning and Procurement Structure of Standards and Processes to embed Fair Work, climate and circular economy considerations and other principles in an ethical approach to commissioning and procurement of care and support.</p>
<p><b>5.5.4</b> Actively consider Fair Work First early in procurements and commissioning activity and apply the <a href="#">Fair Work First criteria</a> in all procurement processes, where relevant and proportionate to do so.</p>	



## 5.6 Strategic aim

Boost sustainable and socio-economic outcomes through our investment in construction and infrastructure.

### Objectives:

<p><b>5.6.1</b> Support the Scottish Government infrastructure investment plan to drive ambitious infrastructure investment projects, create jobs, help business and support delivery of better and modern public services and growth in the Scottish economy. The <a href="#">project pipeline</a> is available online.</p>	<p><b>5.6.3</b> Publish the Civil Engineering Framework driving the use of local supply chains, SMEs (including supported businesses where appropriate) and prompt payment.</p>
<p><b>5.6.2</b> Participate in the Construction Leadership Forum increasing collaborative enterprise between government and industry, delivering a more sustainable, productive and innovative industry.</p> <p>This includes supporting development of the Construction Accord and developing a Just Transition Plan, aligned to the Scottish Government’s <a href="#">National Just Transition Planning Framework</a>.</p>	<p><b>5.6.4</b> Create a portfolio of frameworks delivering a range of construction activity across the public sector which considers the economic impact and the sustainability of the construction industry and the requirement for inclusive growth and climate change targets.</p>



# Open and Connected

## 5.7 Strategic aim

Ensure procurement in Scotland is **open, transparent** and **connected**.

**Objectives:**

<p><b>5.7.1</b> Deliver a procurement Management Information platform to further improve data standards, and demonstrate the impact of public sector procurement on Scotland’s economy - identifying opportunities to maximise delivery of outcomes at a local and national level.</p>	<p><b>5.7.5</b> Work in collaboration across the Scottish public sector to create a National Procurement Strategy.</p>
<p><b>5.7.2</b> Set and maintain procurement and commercial standards for Scotland and lead the professionalisation agenda to ensure that we have the skills and capability we need today and tomorrow to deliver on our ambitions.</p>	<p><b>5.7.6</b> Continue to support suppliers through direct engagement with representative bodies, the Supplier Development Programme, SME round tables, supplier surveys, forums and benchmarking.</p>
<p><b>5.7.3</b> Remain connected internationally to benchmark and support the development of best practice.</p>	<p><b>5.7.7</b> Through managing and developing our communication channels and opportunities, engage with our audiences and stakeholder base to communicate and promote guidance, improve knowledge and understanding, promote best practice and champion the impact of public sector procurement in Scotland.</p>
<p><b>5.7.4</b> Develop a refreshed eCommerce and Management Information Strategy, providing a long-term digital enablement and Management Information roadmap.</p>	

# 6.

## Contract Profile



Procurement is a key enabler in delivering Scotland's National Strategy for Economic Transformation and contributing to sustainable and inclusive economic growth. We will continue to work together with the public, private and third sectors to deliver maximum value through public procurement activity.

## 6.1 Projected Procurements

In the next two years, SPPD anticipate starting around 220 procurements worth a total of around £4.2 billion.

Also in the next two years, we expect that:

- over 170 contracts will be awarded for the **sole use** of the Scottish Government, with an approximate value of £1.6 billion;
- 19 key contracts worth around £22 million will be awarded in relation to the **specific services** required to support the additional powers devolved to the Scottish Government by the Scotland Act 2016; and
- 33 **national collaborative contracts/frameworks** will be awarded on behalf of Scottish public sector organisations, with an approximate value of £2.6 billion.

The national contracts and frameworks awarded by our buying teams can be used by Scottish public sector organisations and cover a range of commonly purchased goods, services, utilities and works.

Our website contains more information on our [current collaborative agreements](#).



## 6.2 Procurement Forecast

A full summary of the regulated procurements commencing in the next financial year can be found in [Annex A of our Annual Procurement Report](#).

The [forward plan](#)<sup>7</sup> of national and central government sector collaborative opportunities can be found online.

Details of our contract awards are available on the [Public Contracts Scotland](#) website.

## 6.3 Projected Savings against Spend FY 2022-2023

Portfolio	Spend (£million)	Savings (£million)
SG sole use	300	15
National collaborative contracts/frameworks	916	131.1

## 6.4 How we will Deliver Value for Money

In delivering the vision set out in the Programme for Government, we are addressing the challenges and emerging issues resulting from the COVID-19 pandemic, EU exit and ongoing budget constraint. It is vital therefore that public sector organisations understand and mitigate risks and continue to think commercially, spend wisely and deliver real value for money. We aim to achieve this by:

- working closely with the people who use the goods, services and works we buy, to help understand their requirements;
- understanding the markets we work in;
- awarding contracts on the basis of fair, open and transparent competition which is in proportion to the contract being tendered and meets our legal obligations; and
- making sure that our contracts are effective and managed efficiently.

In line with procurement legislation and our guidance, contracts are **not** awarded only on the basis of lowest cost/price. Tenders are evaluated to achieve the Most Economically Advantageous Tender. This ensures the process is more than a “price for price” comparison.

<sup>7</sup> The forward plan includes opportunities from health, higher education and local authority sectors.

# 7.

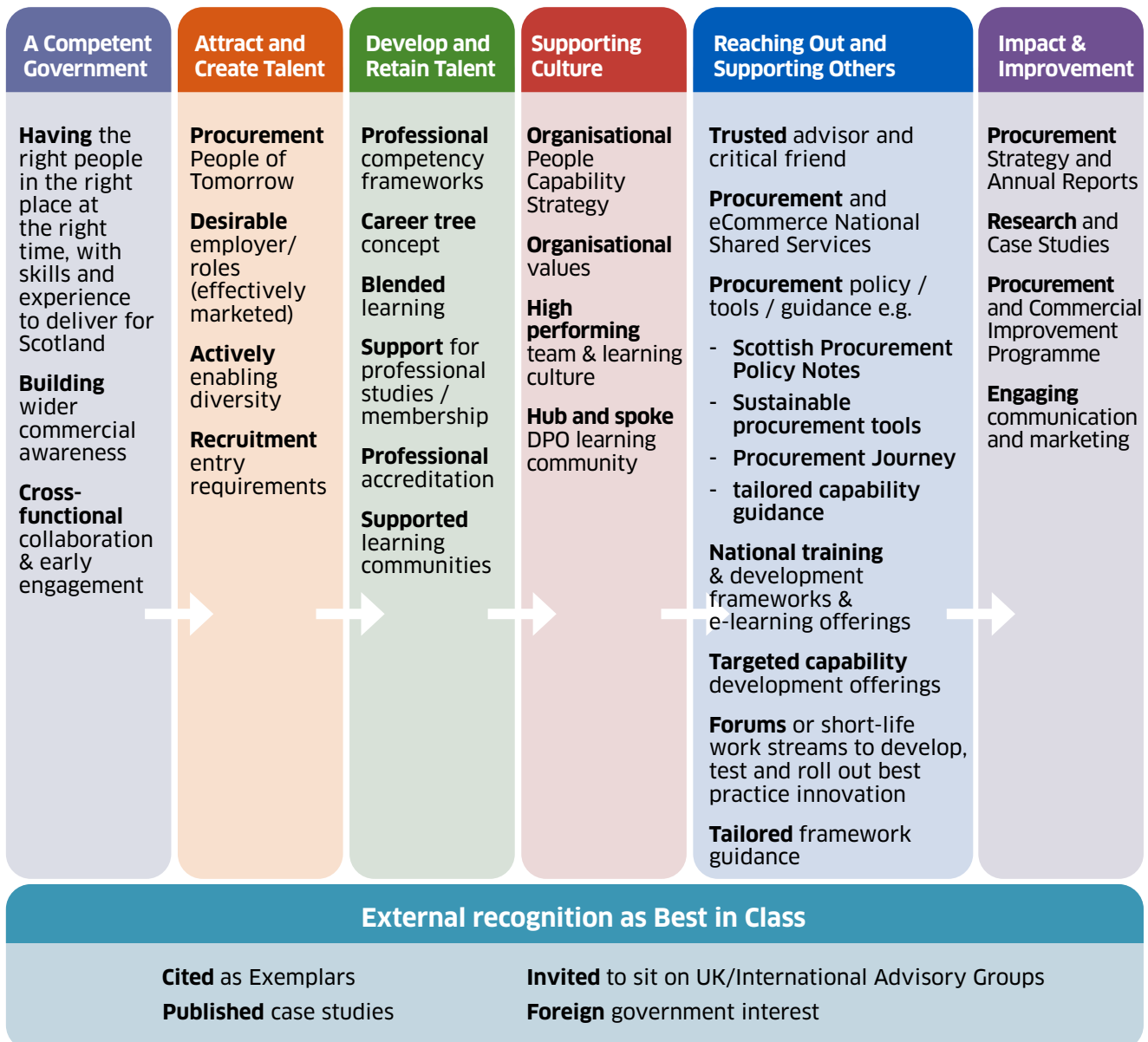
## Capability and Professionalisation

The Scottish Government has a vision to be a world-leading diverse employer where equality is achieved. SPPD is committed to this goal and is taking action through its Race Equality Group, which is contributing to the [Race Recruitment and Retention Action Plan](#). We will actively develop the capability of our procurement and property teams to fully embed equality and human rights in all our work through engaging with organisational wide inclusion training along with specific skills development. We also continue to deliver initiatives on other aspects of diversity and inclusion including our [Procurement People of Tomorrow programme](#).



We continue to invest in the capability and skills of our procurement and property teams and others involved in procurement and commercial activity. Our professionalisation strategy, agreed by our Head of Profession, includes local and national talent creation, and development and retention programmes to help us achieve professional excellence against national policy and standards, details of which can be found in [Appendix 4](#).

### Professionalisation Scope & Approach





## 7.1 Delegated Purchasing Authority

We continue to recognise the importance of those responsible for procurement having an appropriate level of delegated authority. Key to this is ensuring that those involved in awarding and managing contracts have the professional skills, knowledge, qualifications and experience to do so in line with the competencies set out in our [National Procurement Development Framework](#). We continue to invest in the skills and capability development of our professional staff through our [National Procurement and Commercial Training Frameworks](#) and other targeted capability development solutions.

Our scheme of 'delegated purchasing authority', means that no member of staff is authorised to enter into a contract on behalf of Scottish Ministers without written delegated authority to do so from our Director of Procurement. That delegated authority is only given to those who can demonstrate they possess the appropriate skills, competencies and knowledge of our procurement policies and legal obligations.

## 7.2 Commercial Capability

Our programme to embed and grow commercial capability continues, targeting all Scottish Government civil servants at awareness, practitioner and leadership level, to ensure they understand and can contribute to our wider commercial and sustainability ambitions.

We have also developed and maintain a range of enabling tools to support buyers and public sector organisations across Scotland which are listed in the appendices and referenced throughout this document.

# 8.

## Supplier Engagement and Contract Management

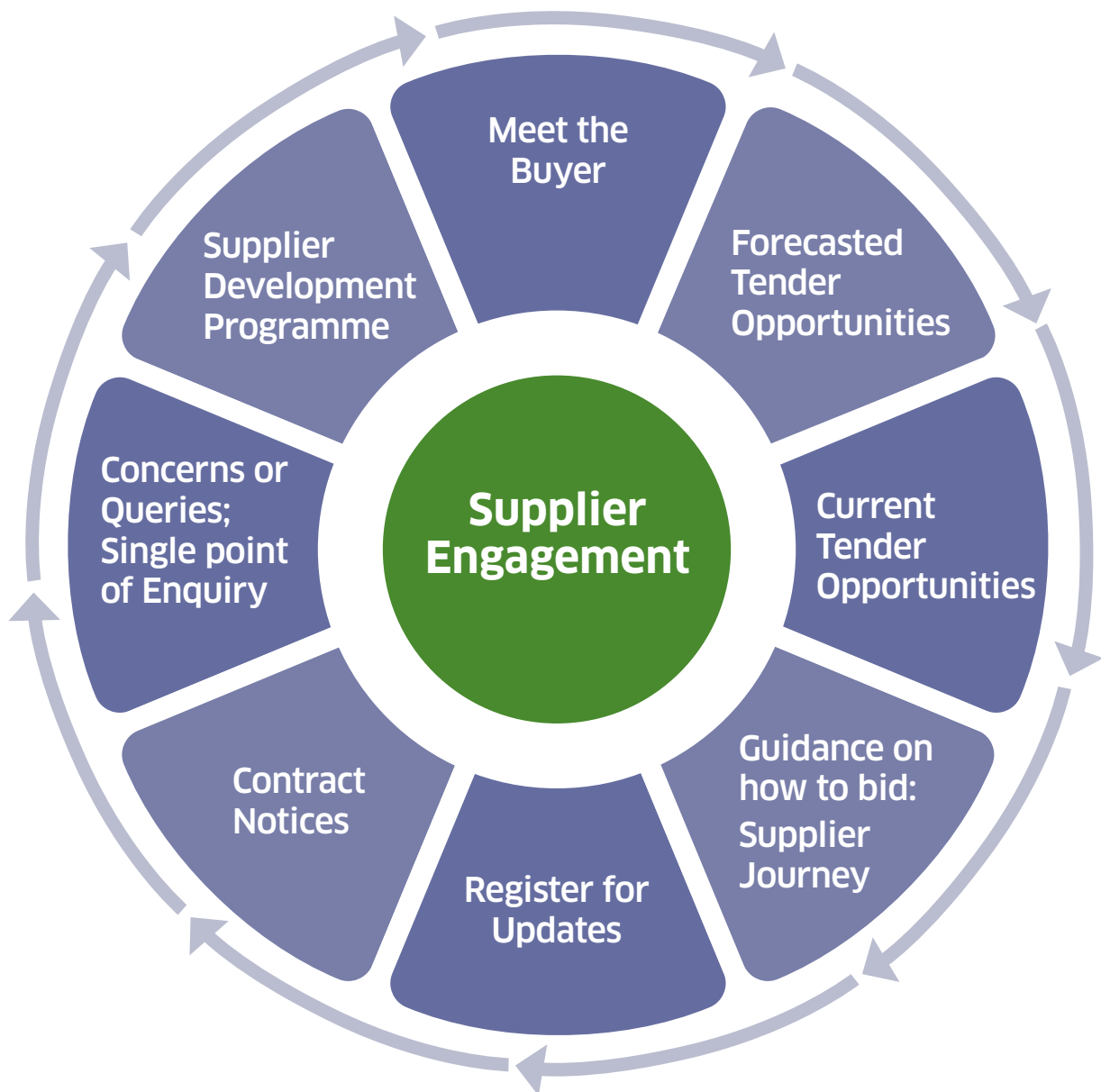


## 8.1 Supplier Engagement

We are continuously developing new ways to engage with the supplier community. We consult through a number of mediums including round tables, conferences, forums and the representative groups such as the PSG.

We have a comprehensive and joined-up set of tools, policy support and guidance which together help simplify our processes and enable buyers and suppliers to access procurement information and opportunities more easily. These include our PCS portal and the Procurement and Supplier Journeys which are summarised in [Appendix 2](#).

### Supplier Engagement





## 8.2 SMEs, Supported Businesses and Third Sector

To facilitate the involvement of SMEs, the third sector and supported businesses and to make it easier for them to find and bid for contracts, opportunities will continue to be advertised through PCS cementing the portal's role as the 'one-stop shop' for procurement opportunities in Scotland.

We will use our market knowledge, systems and processes to improve access and will split large requirements into specialist or geographical lots to open the opportunities to SMEs, and where appropriate, apply lot-limiting or multi-supplier strategies to ensure a fairer share of business.

In accordance with our commitments in the action plans that underpin Scotland's Social Enterprise Strategy 2016-2026, we will continue to work with supported businesses across Scotland, seeking creative ways to enable them to flourish commercially and sustain employment for disabled and disadvantaged people.

The Scottish Government's multi-lot, multi-supplier framework for the provision of commodities reserved for supported businesses has been extended to December 2022. Early scoping work has begun on a replacement framework which includes consideration of a Dynamic Purchasing System for supported businesses.

We will continue to offer advice, workshops and learning through the Business Support for the Third Sector contract (currently delivered through the Just Enterprise consortium) as part of a coherent ecosystem of business support for social enterprise.

### 8.3 Supply Chains Development Programme

Economic Development, Procurement and Enterprise teams are collaborating to drive our Supply Chains Development Programme in key sectors of the economy where we see genuine sustainable economic potential, with a particular focus on building supply chains critical to our response to the climate emergency and a just transition to net zero.

### 8.4 Contract Management

Effective engagement with our suppliers through early market engagement and ongoing contract management is critical to delivering outcomes through procurement. We are using the national electronic contract management system, PCS-Tender, to support strategic contract management in Scottish Government.

Contract managers must complete the mandatory Contract and Supplier Management (CSM) essentials e-learning module before contract handover. Further interactive training is available with each additional module covering a specialist topic:

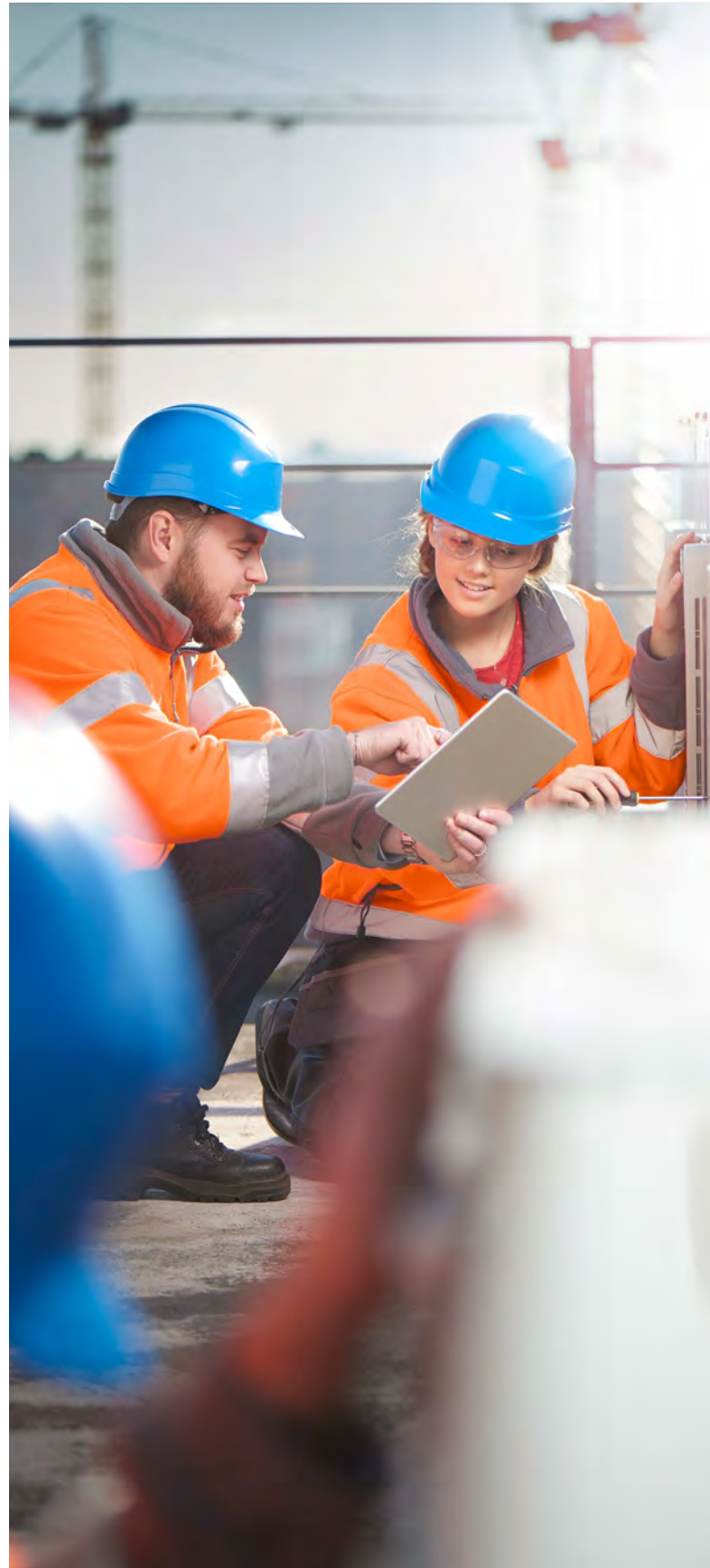
- Project Management and Planning;
- Contract Process;
- Contract Documentation;
- Performance Management;
- Financial Management; and
- Stakeholder and Supplier Management.

A dedicated team provide support and guidance to those who manage Scottish Government contracts. Help is available with:

- contract handover and implementation;
- contract management training;
- contract dispute resolution;
- contract variations and extensions;
- commercial support in supplier meetings;
- supplier financial checks, insurance and business probity; and
- supplier performance data and benefits tracking.

# 9.

## Monitoring, Reviewing and Reporting on Strategy



We will oversee the delivery of this strategy using a number of methods detailed below and will publish an Annual Procurement Report to demonstrate our progress.

Weekly	Monthly	Quarterly	Bi-annual	Annually	Ad hoc
Senior Management Team Meet	Team Meetings	Directorate Business Plan Progress Review	Public Procurement Priorities Review	Directorate Business Plan	Contract & Supplier Management Reporting Management Information
	Individual Progress, Priorities & Performance Reviews	Divisional Plan Review		Individual Goals & Objectives Review	
PPG Meet		Annual Procurement Report			
PSG Meet		PPG & PSG Meet			
Report on Public Commitments, including PfG		Individual Goals & Objectives			
			PfG Update		
			Public Procurement Priorities (end of year review)		

# 10.

## Strategy Ownership and Contact Details







The owner of this procurement strategy, on behalf of the Scottish Government is Nick Ford, the Director of Procurement and Property Directorate. It covers the period 1 April 2022 to 31 March 2024. Our strategy will be reviewed again at least once a year with changes made to it if appropriate. We will publish any new versions online.

**Nick Ford - Director**

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## Appendices



## Appendix 1 – Sustainable Procurement Tools

<p><a href="#">Sustainable Procurement Tools</a></p>	<p>The tools are designed to help public sector organisations optimise the economic, social and environmental outcomes of their procurement activity, and demonstrate compliance with the sustainable procurement duty. They include the:</p> <ul style="list-style-type: none"> <li>• Flexible Framework - enables the assessment of current level of performance, and the actions required to embed good procurement practice in a public sector organisation to realise intended sustainable outcomes;</li> <li>• Prioritisation methodology – helps to identify risks and opportunities associated with planned procurement activity, and with planning resource allocation to address these. This tool can be used at an organisational, and at a category level; and</li> <li>• Sustainability Test and Life Cycle Impact Map – helps to identify risks and opportunities at an individual procurement level, and where to address these in the procurement process.</li> </ul> <p>An extensive suite of supporting guidance is available to help public sector organisations achieve positive economic, social and environmental outcomes. The tools and guidance are reviewed on an ongoing basis, and additional resources such as e-learning and sustainable procurement case studies, will continue to be added over time.</p>
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## Appendix 2 – eCommerce and Procurement Best Practice Shared Service

We provide a national eCommerce and Procurement Best Practice Shared Service that enables public sector organisations to carry out procurement exercises and business transactions electronically. The Service delivers efficiencies and savings to public sector organisations by reducing the time it takes to get the goods, services and works needed to deliver public services. It brings benefits to suppliers such as providing access to contract opportunities and more efficient ordering and payment processes. The solutions that underpin the Service are regularly upgraded to ensure that they continue to meet user requirements and deliver enhanced capability, efficiencies and benefits. We also provide a number of procurement best practice tools to improve and enhance procurement capability across Scotland. Our eCommerce solutions and procurement best practice tools are described below:

<p><b>Public Contracts Scotland (PCS)</b></p>	<p>A ‘one-stop shop’ for suppliers looking for Scottish public sector contract opportunities. PCS has enabled stronger communication links between buyers and suppliers. The use of PCS by Scottish public sector organisations to advertise their regulated contract opportunities is mandatory.</p>
<p><b>PCS - Tender</b></p>	<p>The national e-tendering service that allows suppliers to submit tenders for a public contract in electronic format. It also enables public sector organisations to manage their contracts and suppliers electronically.</p>
<p><b>Procurement Journey</b></p>	<p>Provides an online single source of procurement guidance and documentation for the Scottish public sector. After significant stakeholder engagement it was upgraded and relaunched in March 2020 with improvements to both its functionality and content. Its purpose is to communicate and drive best practice and compliance throughout the Scottish public sector from simple purchases to complex procurement exercises. The Procurement Journey is kept up-to-date to reflect current legislation and policy.</p>

<b>Supplier Journey</b>	<p>Provides online guidance to suppliers to make it easier for them to bid for public goods and services. After significant engagement with suppliers it was updated in March 2020 with improved functionality to support businesses when bidding for public contracts.</p>
<b>The Procurement and Commercial Improvement Programme (PCIP)</b>	<p>This continuous improvement programme focuses on the culture, scope and approach of the public sector organisation which manages, supports and enables procurement activity from the identification of a need through to contract delivery. It is based around set questions and other evaluation methods with a detailed examination of activities such as contract management, ensuring that procurements are conducted sustainably, and some other indirect areas such as continuous professional development. Public sector organisations can then, based on the outcome of the assessment, develop an action plan to achieve maximum value for money and improve their ability when buying goods, services and works. The PCIP assessment tool and process is regularly reviewed to ensure it continues to reflect current legislation and best practice.</p>
<b>The Scottish Procurement Information Hub</b>	<p>A sophisticated spend analysis tool that provides reporting capability on procurement spend by key public sector organisations which enables them to see their spend, identify who their key suppliers are, highlight spend with SMEs and local suppliers and identify potential collaborative opportunities.</p>
<b>PECOS P2P</b>	<p>Automates the purchase to pay process from creating shopping baskets, raising orders and presenting valid invoices for payment. It also embeds standard and consistent business workflows and audited approval processes to ensure compliance with procurement and finance guidelines.</p>
<b>PECOS e-Invoicing</b>	<p>Enables the receipt of electronic invoices from suppliers which are validated and then automatically passed to public sector organisations for matching and payment in finance systems.</p>

<p><b>PECOS Catalogue Management</b></p>	<p>Manages the validation and approval of catalogues that are made available as a result of national, sectoral or local contracts. It allows catalogues to be published in a number of formats for upload into purchase to pay systems that are in use across the Scottish public sector.</p>
<p><b>PECOS Gateway</b></p>	<p>Enables 3rd party systems to access catalogue content and create a shopping basket that is then returned to that 3rd party system for PO creation, approval and transmission.</p>
<p><b>The Single Procurement Document (SPD) (Scotland)</b></p>	<p>Must be used in Scotland for procurements regulated under the Public Contracts (Scotland) Regulations 2015 and is recommended for all other procurements. The SPD helps reduce the administrative burden on bidders and removes some of the barriers to participation in public procurements, especially for SMEs. It allows buyers to identify suitably qualified and experienced bidders and replaces the requirement for suppliers to provide up-front evidence or certificates by allowing them to self-declare that they meet the relevant criteria. Bidders are also able to store and reuse their information for future use. We continue to update the SPD in response to feedback from suppliers.</p>

## Appendix 3 – Policies, Tools and Procedures

The Scottish Government spend over £300 million each year buying goods, services and works. This is a significant sum and it is right that people expect it to be spent in a way that aims to deliver the most benefits possible to society. We design our procurement policies with that aim in mind while also carrying out procurements that are transparent and fair. Our procurement policies shape and support public procurement activity across Scotland.

Over the last couple of years, we had a significant focus on gathering and analysing evidence on the impact of public procurement in Scotland to identify opportunities for improvement and/or to do things differently. We did this through a variety of means, including independent research, supplier surveys, desk-based analysis of annual procurement reports, the UK Government Green Paper on transforming public procurement and other international benchmarking and, importantly, by listening to our customers in targeted conversations with industry and stakeholders.

In response to this evidence we have highlighted areas for improvement and acted upon them, achieving quick wins or taking steps for long-term transformations, some of which are detailed in our aims and key priorities above. We will continue to engage in further research to better understand our options in meeting our strategic ambitions and will ensure we continue to listen, learn and drive continuous improvement.

With our Procurement Commercial Improvement Programme (PCIP) we are continuously gathering evidence in support of our robust policies and procedures while driving improvements to increase our capability. Key actions from our last assessment include embedding further Contract and Supplier Management, continued roll out of online training, and reviewing our suite of Information and Communications Technology (ICT) tools for improvement opportunities.

We will continue to listen and learn, drawing on robust research and analysis whilst engaging and aligning with the work of partners and policy makers to understand and, as appropriate, address opportunities for improvement and change. We are committed to use the Power of Procurement to support an inclusive and green recovery and to deliver social, economic and environmental benefits. The below statements reflect the commitment that our regulated procurements will:

### **APP3.1 use community benefits in our public contracts where possible.**

**How:** In line with the sustainable procurement duty and specific obligations regarding community benefits in our legislation, we continue to mainstream the use of community benefit requirements in public contracts to deliver wider benefits for local communities and wider society. This complements our activities to facilitate access to procurement for SMEs, the third sector and supported businesses and helps us to deliver wider social and economic benefits as part of our public spending decisions.

Community benefits are considered at development stage of the tender and, either added as a mandatory requirement from bidders or, where appropriate, provide bidders with the opportunity to suggest voluntary community benefits. Our contract notices for regulated procurements record whether contractors must deliver any community benefits. We also record any community benefits that have been delivered as part of our contract management arrangements and will report on these in our Annual Procurement Report.

### **APP3.2 consult and involve those affected by our procurements.**

**How:** Where appropriate we work with people who use services, potential suppliers and others to help us design procurements. This can vary from market research, Requests for Information (RFI) exercises, issue Prior Information Notices, to supplier engagement days or the design and piloting of services. For national contracts we may involve people who use services through ‘user intelligence groups’, and others where we require input to specific procurements, for example trade unions.

We record any complaints about failure to consult on any of our contracts and our Annual Procurement Report on our performance will review these. It will include information about any conclusions we reach and any measures taken in response to complaints.

### **APP3.3 consider Fair Work practices, including paying the real Living Wage to people involved in delivering our contracts.**

**How:** The strategic ambitions for Fair Work are set out in the Fair Work Convention’s Framework and we have set out actions in our [Fair Work Action Plan](#). That Action Plan prioritises Fair Work First (FWF), which is our flagship policy for driving high quality and Fair Work across the labour market in Scotland by applying Fair Work criteria to public funding. FWF asks businesses bidding for a public contract to commit to adopting the seven FWF criteria, which are:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- providing fair pay for workers (for example, [payment of the real Living Wage](#));
- offer flexible and family friendly working practices for all workers from day one of employment; and
- oppose the use of fire and rehire practices.



We have updated our procurement processes to ensure FWF criteria are included in all relevant procurements. We will consider Fair Work practices as early as possible in all of our procurements and address this by including award criteria, where relevant and proportionate in our contracts. We also ask if bidders are accredited as Scottish Living Wage employers, and if they have signed up to the Scottish Business Pledge.

We have committed to mandating payment of the real Living Wage in our new contracts from 14 October 2021 where it is relevant and proportionate. We will continue to record commitments made by suppliers to pay the real Living Wage. These will be included in the Annual Procurement Report of our performance against this strategy.

#### **APP3.4 be satisfied our contractors and subcontractors comply with the Health and Safety at Work etc. Act 1974 and any provision made under that Act.**

**How:** It is a standard condition of our contracts that the contractor must keep to all laws that apply, all requirements of regulatory organisations and industry good practice. This includes any relevant health and safety law. Also, whenever a contractor's staff are on our premises, under the terms of our standard contracts, they must keep to our own health and safety requirements.

We revise our contract management arrangements to make sure that we include information about health and safety incidents related to delivering our contracts and any measures that we take to put things right. This information will be included in the Annual Procurement Report of our performance against this strategy.

#### **APP3.5 procure fairly and ethically traded goods and services which advance human rights and equality.**

**How:** Scottish Government is driving an ambitious and progressive agenda to ensure equality and human rights are embedded in all we do. We recognise that procurement is a lever in achieving this ambition.

We have committed to develop and take forward implementation of an equality and human rights mainstreaming strategy to be in place by the end of 2024. This strategy will build on learning from COVID-19 impacts and responses as well as our work over the past decade to mainstream and embed equality and human rights. The links between procurement and achieving our equality and human rights ambitions will be explored further in this strategy.

### **Human rights**

We are committed to ensuring that everyone in Scottish society can enjoy their human rights in full. That includes being able to live with dignity and being treated fairly and without discrimination. We should all be able to make properly informed choices. That includes participating in making decisions which affect our rights, whether services are delivered directly or are procured from third parties.

The [Scotland Act 1998](#) and the [Human Rights Act 1998](#) ensure that Scottish legislation and the actions of public sector organisations have to comply with core human rights standards derived from the [European Convention on Human Rights](#). Public sector organisations are also expected to support implementation of other international human rights treaties ratified by the UK, such as the [International Covenant on Economic, Social and Cultural Rights](#) and the [European Social Charter](#).

We are working to implement the UN Guiding Principles on Business and Human Rights (UNGPs). These provide good practice guidelines for the private sector, including where the state either contracts with, or legislates for, business enterprises to provide services that may impact upon the enjoyment of human rights.

The Scottish Government's annual Programme for Government highlights further commitments to enhance and develop human rights protections in Scotland. Proposals developed by the National Taskforce for Human Rights Leadership have resulted in a PfG commitment for a Human Rights Bill which will be introduced within the term of this parliament. This Bill will incorporate several international human rights treaties into domestic law.

Our approach is described in Scottish Procurement Policy Note SPPN 3/2020: [Reducing the risk of human trafficking and exploitation in the performance of public contracts](#) which encourages all public sector organisations to consider a similar approach. Organisations should also note the Scottish Government's intention to consult on extending reporting requirements on transparency in supply chains to the public sector.

We will consider the risks and opportunities at an early stage in a procurement process, enabling us to take account of ethical issues when assessing a bidder's overall suitability and reliability to be awarded a contract. This includes considering whether the bidder has been convicted of certain criminal offences or has committed any acts of professional misconduct while running their business.

Our Annual Procurement Report will include a statement about the effectiveness of our selection procedures and we are keeping a central record of the value of fairly-traded products bought or sold under our catering contract.

## **Equality**

We take a holistic approach to ensuring we support and enable equality through procurement spend whether that is driving Fair Work First and the real Living Wage in contracts and supply chains, embedding equality outcomes in community benefits through procurement, or reserving contracts for supported businesses, ensuring fair and ethical procurement and protecting human rights. We routinely consider equality alongside other social, economic and environmental risks and opportunities in our procurements.

The sustainable procurement duty provides a mechanism for the Scottish Government and other public sector organisations to comply with the general equality duty set out (section 149) in the Equality Act 2010 and with the specific duties in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. In essence, the specific legislation requires the Scottish Government, when delivering policy, to have due regard to the need to:

- eliminate discrimination;
- advance equality of opportunity; and
- foster good relations between people who share protected characteristics and people who do not.

The Fairer Scotland Duty, Part 1 of the Equality Act 2010 (also known as the socio-economic duty), requires public sector organisations including the Scottish Government to have due regard to how they can reduce inequalities caused by socio-economic disadvantage when making strategic decisions.

Scottish Ministers are committed to reviewing the effectiveness of the Public Sector Equality Duty (PSED) regime in Scotland. Following extensive engagement, a consultation ran from December 2021 until April 2022 on legislative changes to the Scottish Specific Duties (SSDs) and to the wider implementation environment. As part of our consultation, we recognised that procurement is an effective lever to influence change. We sought views on whether listed public bodies should be required to set out a strategic plan on how they plan to meet their equality duties under the SSDs, and then report on how they have implemented them. This requirement would include reporting the procurement duty ([regulation 9](#)), therefore encouraging listed authorities to engage with the current duty in a more cohesive and transparent manner. Based on recommendations from stakeholders, we are also seeking views on the value of requiring award and tender specifications to stipulate that all outputs of any work must meet the requirements of the PSED and specify examples. The SSDs will be updated during the period covered by this strategy.

In addition to our Annual Procurement Report, we report bi-annually on how our procurement policy and activity complies with the Public Sector Equality Duties.

### **Policy coherence for sustainable development**

Through our 2016 International Development Strategy ([Global Citizenship: Scotland's International Development Strategy](#)), which sets out our contribution to the international community, we have committed to Policy Coherence for Sustainable Development (PCSD) as part of our holistic approach to sustainable development ('the Beyond Aid' agenda). A commitment to a PCSD approach recognises the impact of Global North government policies that affect Global South countries, and that some of

the greater benefits to the world's poorest and most vulnerable can be brought about not through development assistance but through policy changes.

Taking a PCSD approach means ensuring that across government, there is greater coherence in the approach to trade, human rights, procurement, exporting and importing. We have already recognised this in our 2021 policy [Vision for Trade](#). The use of public procurement to support ethical and fair trade producers and suppliers is also a good example of applying a PCSD approach.

The achievement of Fair Trade Nation status for Scotland, first in February 2013 and once more in March 2017, signals to the world that Scotland takes an active leadership role in challenging global poverty and recognising the dignity and rights of producers, through a commitment to fairness in international trading.

The [International Fair Trade Charter \(2018\)](#) describes Fair Trade as a movement which 'works to transform trade in order to achieve justice, equity and sustainability for people and planet'. Scotland has positioned itself as a Fair Trade Nation, with the aim to embed fair and ethical trade across all functions of government and business as a transformative response to creating a fairer society.

The Scottish Government is responsible for public procurement policy and legislation in Scotland. We use contract criteria to encourage transparency in the supply chain which, in turn, supports positive practices and is in line with our Fair Trade Nation status to promote the use of fairly traded goods and services. Our policy, guidance and tools encourage others to take a similar approach.

### **APP3.6 ensure contracts involving food improve the health, wellbeing and education of communities in Scotland and promote the highest standards of animal welfare.**

**How:** As a public sector organisation, we seldom buy food directly but we do use our catering framework to achieve a range of benefits. Our approach is to make sure that this keeps to government policies on healthy eating and nutrition, promoting fresh, seasonal, fairly-traded and local produce and to UK buying standards. These standards take account of factors including production, traceability, authenticity, origin, ethical trading, animal welfare, environmental standards and health and waste.

We are keeping a central record of the value of fairly-traded products bought or sold under our catering contract.

### **APP3.7 pay invoices in 30 days or less to our contractors and subcontractors.**

**How:** Our late payment legislation requires all public sector organisations to pay invoices within 30 days. There is also specific [guidance](#) on late payment legislation.

We are committed to prompt payment of invoices both to and by our contractors and their subcontractors. We commit to pay valid invoices within 30 days of receipt and, as a condition of contract, we require this commitment to apply throughout the supply

chain relating to the contract. This condition, when applied throughout the supply chain, must also make clear that if a subcontractor believes that invoices are not being paid within 30 days they can raise the issue directly with us.

We work towards a ten day target for paying bills to businesses in Scotland. This is a key objective and an important expression of our commitment to support businesses which goes beyond our contractual obligation to pay suppliers within 30 days. In the financial year 2020-2021 we paid 97.6% of valid invoices in ten days or less and 99.6% within 30 days.

Through our contract management arrangements, we monitor the percentage of our valid Scottish Government invoices paid on time, our average payment performance and any complaints from contractors and subcontractors about late payment and we take action if appropriate.

We will test the inclusion of prompt payment in the supply chain as a condition of awarding a contract at the selection stage of a procurement and for the inclusion of a contractual clause for payment terms to be passed through the supply chain.

### **APP3.8 climate and circular economy.**

Existing procurement duties under the 2014 Act already require public sector organisations to consider and act on opportunities to improve the economic, social and environmental wellbeing of their areas through their procurements. The Scottish Government's sustainable procurement tools, available to all public sector organisations, include indicators and guidance to support Scottish public sector buyers to consider and act on a number of climate change and circular economy considerations.

We are committed to taking action on climate change and to develop the circular economy by buying goods and services which reduce emissions, minimise waste and allow for repair, re-use, refurbishment or recycling wherever appropriate. We are looking for ways to reduce how much we buy as that will impact directly on the emissions and waste involved in manufacturing, logistics, distribution and servicing. Given we routinely buy on behalf of others, many of these decisions are influenced by our stakeholders and budget holders. We are exploring a range of ways to influence, support and track progress.

As per SPPN 1/2021: [Taking account of climate and circular economy considerations in public procurement](#), we will prioritise and take account of climate change and circular economy in our procurement activity and report ongoing progress against these commitments in our public sector reporting on climate change and in our Annual Procurement Report. This is demonstrative of how we are using procurement to support Scotland's response to the global climate emergency and drive a fairer and greener future.

## Appendix 4 – Talent Creation, Development and Retention Programmes

<b>The Procurement People of Tomorrow programme</b>	Focuses on encouraging, enabling and developing new entrants in our profession across Scotland and embedding diversity within our teams.
<b>People Capability Strategy</b>	Embeds a supportive and learning culture, assessing and addressing evolving learning priorities.
<b>The Scottish Government Delegated Purchasing Officer Scheme</b>	Ensures that those authorised to award contracts within the Scottish Government have the necessary qualifications, training or experience for their level of delegated responsibility.
<b>National Procurement Development Framework</b>	Sets out procurement and commercial standards and facilitates continuous professional development and career paths, enabling effective recruitment and retention.
<b>The Scottish Government Contract and Supplier Management programme</b>	Ensures that those accountable for managing contracts within the Scottish Government have the necessary training and tools to drive the delivery of those contracts.
<b>The Commercial Capability programme</b>	Seeks to improve commercial outcomes through targeted training and earlier engagement with clients and commissioners. This is underpinned by our National Procurement Development Framework.
<b>The Construction Sessions</b>	A series of webinars to ensure the guidance provided by The Client Guide to construction projects is disseminated effectively to stakeholders.

## Appendix 5 – Governance

The Procurement Reform (Scotland) Act 2014 (The Act) forms part of the public procurement legislation that governs how Scottish public sector organisations buy their goods, works and services and allows us to maximise the economic benefit brought to Scotland from effective and efficient public procurement activity. The Act requires public sector organisations to publish procurement strategies to set out how they intend to carry out their regulated procurements and publish annual procurement reports which describe how their procurement activities have complied with these strategies. Regulated procurements are contracts valued at £50,000 and above for goods and services and £2 million and above for works.



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