

Forest Enterprise Scotland/Forestry Commission Scotland Procurement Strategy 2017/2018

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FES/FCS Procurement Strategy 2017/18

1 Strategy overview

Forestry is a devolved matter with Scottish Ministers having responsibility for forestry in Scotland. This is a joint strategy for Forest Enterprise Scotland (FES) and Forestry Commission Scotland (FCS). More information about our management and structure can be found [here](#). FES and FCS have sought to embrace the challenges that the new Scottish procurement legislation has presented and we have worked hard to put in place a business solution that ensures our compliance with this.

This is the first procurement strategy that we have developed and its primary aim is to ensure that the wider requirements of the public procurement reform agenda are adhered to. The strategy has been developed in line with local and national priorities and will support the corporate aims and objectives.

The strategy recognises both the changing procurement landscape and the changing times for forestry and the management of the National Forest Estate. It sets out our procurement objectives and an action plan for 2017/18. A programme of improvement is envisaged over the next few years and this is expressed within the action plan.

2 Strategic context

FCS works as part of the Scottish Government's Environment & Forestry Directorate, and is responsible to Scottish Ministers. FES is part of FCS and is an Executive Agency.

The National Forest Estate is amongst one of the nation's great assets and plays an extremely important role in combating climate change, as well as acting as a key recreational resource for the people of Scotland. The assets need to be protected and enhanced and this is the job of FCS. FCS supports and regulates forestry and woodland management throughout Scotland, providing advice and grants to encourage new and existing forests and woods to be managed sustainably. FES manages around 660,000 hectares of land, forests and woodlands located throughout Scotland.

For nearly 100 years, the National Forest Estate has provided the country with a rich source of timber. Today, the story is one of diversification; Scotland's forests are managed as a productive, recreational and environmental resource. Careful planning at a national and local level, involving communities and partners, is bringing together complementary objectives and helping to shape Scotland's forests for future generations.

The FES Corporate Plan sets out how we will deliver public benefits from the National Forest Estate and contribute to the Scottish Government's purpose of "creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth".

Split into six themes, the Corporate Plan details the key priorities we will focus on over the three years from 2015 to 2018, in order to meet the key commitments laid out in 'The Role of Scotland's National Forest Estate and Strategic Directions':

- **Healthy** – achieving good environmental and silvicultural condition in a changing climate;
- **Productive** – providing sustainable economic benefits from the land;
- **Treasured** – as a multi-purpose resource that sustains livelihoods, improves quality of life and offers involvement and enjoyment;
- **Accessible** – local woodlands and national treasures that are well promoted, welcoming and open for all;
- **Cared for** – working with nature and respecting landscapes, natural and cultural heritage; and
- **Good value** – exemplary, effective and efficient delivery of public benefits.

Through policy, incentive and regulation FCS:

- promotes safer timber transport in rural Scotland through support for the Strategic Timber Transport Fund;
- funds skills training to transform the life chances of young people;
- encourages the transformation of neglected urban settings through woodland creation and the management of existing woodlands in and around towns;
- improves woodland habitats for the benefit of Scotland's biodiversity; and
- strives to 'future proof' Scotland's forest against the threats from pests, diseases and climate change.

The procurement strategy will support delivery of the Corporate Plan's aims and objectives and will ensure compliance with the procurement legislation and guidance including:

- Procurement Reform (Scotland) Act 2014 (the Act);
- Procurement (Scotland) Regulations 2016;
- Public Contracts (Scotland) Regulations 2015;
- Concessions Contracts (Scotland) Regulations 2016;
- Scottish Public Procurement Policy notes;
- Case Law; and
- FCS/FES Procurement guidance and policy.

We will adopt the principles, processes and templates contained in Routes 1 to 3 of the Scottish Government's Procurement Journey, tailoring these to meet our business needs. Further details of the Procurement Journey and the Routes can be found [here](#).

3 Mission

Our mission for procurement is to promote its effective use to ensure legal compliance, deliver value for money and improve efficiency whilst actively promoting the principles of sustainability, innovation, equality and diversity and corporate social responsibility. Procurement will play an integral role in all the business areas to help ensure a seamless delivery of our service.

4 Vision

Procurement will be recognised as a key enabler of business activities. It will contribute value for money and associated benefits to FES/FCS and support its wider objectives through the delivery of a lean, effective and professional procurement service.

5 Procurement Principles

The procurement strategy is based on the following principles:

- **Values** – we will work within the delegated authority and policies. Suppliers will be treated in line with the Scottish Government's Suppliers' Charter;
- **Compliance** – the procurement team will communicate and advise FES/FCS of the compliance requirements of the EU and Scottish Government. They will strive to achieve full compliance with all relevant public procurement legislation whilst ensuring processes are efficient and maintain appropriate controls. This includes informing FES/FCS of any changes to the legislation and the impact/risks these may have on the business;
- **VFM** – we will seek value for money using best practice, and when appropriate, making use of collaborative opportunities;
- **Business Fit** – the procurement team will work with the business to deliver its vision as defined in the Corporate Plan. As part of this they will challenge the business on its needs and assumptions to provide the most appropriate procurement solution. We do however recognise that the forests are subject to the pressures of weather and plant health;

- **Teamwork** – effective team working is essential to effective procurement. To maximise procurement value we are committing to planning our activity, challenging the solutions to find the best solution both business and procurement; and
- **Reflection/Evaluation** – we will be clear about what it is that we want to achieve or what the intended outcomes are. We are committed to ensuring VfM, getting a clear understanding of effective contract management and having a strategic approach to supply management.

The principles also:

ensure a separation of duties between budget holders (holders of delegated financial authority) and those who undertake procurement activity (holders of delegated purchasing authority), *for internal control purposes*;

empower a central procurement function to set up and award ‘national’ contracts and to mandate the use of these – *for aggregation and value for money purposes*; and

enable local offices and cost centres the ability to let low value contracts (up to £50,000), *giving operational flexibility*.

6 Procurement Roles

The procurement team is responsible for leading and facilitating the tender process for goods and service contracts over £50,000 and works contracts over £2 million. These are known as ‘regulated contracts’.

Working from two strategic geographic locations, the procurement team will form effective working relationships with internal stakeholders across Scotland to support procurement activity throughout FES/FCS. They will develop and implement policy, reflecting the principles and best practice of Routes 2 and 3 of the Procurement Journey. They will make use of secure procurement systems to support tendering activity and will work to improve contract coverage and commercial arrangements within the business.

The team structure is based upon Regulated Procurement Officers serving clusters of local cost centres, providing visibility and support to them at their locations. Procurement input starts at the point of identifying the need (pre-procurement); continues throughout the procurement process; and completes at the contract start-up stage; at that stage a handover process is undertaken to move ownership to the contract manager.

Local staff are required to engage with procurement as early as possible in the process, so that regulated procurement work can be planned into the pipeline. Functional contract management leads will forge close working relationships with the procurement team, to ensure regulated contracts deliver their expected outcomes and can be reported as part of the annual reporting process.

Our contract and supplier management (CSM) structure is currently being reviewed with a focus on identifying key contract management roles within each business function, providing clear escalation routes and developing processes that evidence contract compliance and delivery. CSM guidance will be developed to reflect the new structure and processes, reflected in our Action Plan at Appendix 1.

Procurement under £50,000 is administered at a local level by admin support teams. This procurement activity is not governed by the Procurement Reform (Scotland) Act and is therefore deemed Non Regulated Procurement. However the procurement team will develop and maintain policy and process to support non-regulated procurement, based on Route 1 of the Procurement Journey. This will ensure that best practice is inherent in all purchasing activity and will require local staff to consult with the procurement team on areas of risk and best procurement solutions.

6.1 Procurement competency

We recognise the importance of having a skilled and professional procurement team, with continuous development and updating of those skills being paramount to the delivery of efficient procurement. The team is led by a Procurement Manager who is MCIPS qualified, reporting to the Head of Finance and Procurement, who

is a member of the FES Management Board. Our Regulated Procurement Officers have extensive background in public procurement and some team members are working towards CIPS qualifications.

The team will adopt the refreshed Scottish Government Procurement Competency Framework as a method to identify any skills gaps and development needs and will put individual learning plans in place for each staff member, based on its outputs.

The Head of Finance and Procurement will ensure that staff within the procurement team have access to appropriate opportunities for training and development and will commit to funding CIPS studies, where team members wish to pursue these qualifications.

Delegated Purchasing Officers* undertake procurement tasks alongside a range of other duties. With this in mind we will review the training and skills needed for DPO within the organisation, with a view to developing a package of tools and training to support these activities. A review of contract management is also being undertaken in tandem, which includes the development of tools and training as one of its outputs.

**DPA is the authority to enter into a contract for goods, services and works. In doing so, to take responsibility for overseeing the process leading up to, and including, the award of a contract and any subsequent changes to that contract. An individual with DPA is known as a Delegated Purchasing Officer (DPO).*

7 Procurement process

All regulated procurement opportunities will be advertised on the Public Contracts Scotland (PCS) website. This provides access to suppliers of all sizes to a range of contract opportunities advertised by government organisations in Scotland.

The following thresholds have been put in place:

- £0K - £2,999 net value – Direct Purchase;
- £3K - £49,999 net value – minimum of three formal quotes, administered through the use of PCS, Quick Quote. Within this category of spend a risk matrix has been incorporated to ensure that areas of high risk are discussed and agreed with the Procurement Team; and
- over £50,000 – led by the procurement team in compliance with the procurement legal framework and Routes 2 and 3 of the Procurement Journey.

8 Procurement Objectives

- **maximise savings and efficiencies** – long term financial sustainability is a key objective for the business which procurement will support the delivery of by ensuring that procurement processes are as efficient and streamlined as possible;
- **corporate social responsibilities** – the procurement team will consider our corporate social responsibilities when tendering and ensure that they meet the requirements of the Public Sector Equality Duty as set out by the Equality Act 2010. They will also consider modern slavery risks and mitigations in the context of each procurement process. Tackling modern slavery is a new, emerging area for our business and we will develop and evolve our approach to this complex matter, with relevant actions being added to our action plan;
- **social, economic and environmental** – the procurement team will consider the social, economic and environmental wellbeing of the areas affected by our contracts. They will ensure the process is open and accessible to SME's, supported businesses and the third sector. We will use clear language in our tender documents, ensure all of our processes are run electronically, and we will 'lot' contracts as appropriate. We will also consider whole life costs of contracts, as appropriate, and ensure our contract opportunities are advertised through Public Contracts Scotland. These objectives support our obligations under sections 9, 10, 15(5)(a) of the Act;
- **supplier base** – we will investigate opportunities to up-skill our potential supplier base through attending meet the buyer events, providing constructive feedback to bidders and ensuring our process is open, fair and transparent for all bidders, affording equal treatment to all (supporting delivery of section 15(5)(a) of the Act); and

- **continuous development** – the procurement team will consider innovative routes to market and will encourage innovation from the supplier base through the use of output based specifications as appropriate, pre-market engagement and use of prior information notices. We will make use of more flexible procurement procedures available under the regulations where the regulations permit us to do so.

9 Procurement policy statements

The following policy statements detail our approach to the various facets that contribute to our compliance with the sustainable procurement duty (as per sections 9 and 15(5)(a)(iii) of the Act). The policies also support compliance with section 15(5)(b) of the Act.

9.1 Community benefits requirements

We will consider including community benefits requirements for every regulated contract. We have a legal obligation, covered by section 25 of the Act, to consider including community benefit requirements in major contracts valued over £4million. Community benefit requirements will be used when they are relevant and proportionate to the nature of our contract.

Community benefit clauses will be considered when we can identify how they can link to business priorities and have a direct positive impact on the contract delivery. We will not use community benefit clauses to discriminate on the basis of a bidders' geographic base, but they may be used to deliver benefits in a specific geographic area for example targeted training and recruitment in a locality, local educational support initiatives or community and environmental initiatives. These types of community benefits can be offered and delivered by any bidder in a tender process.

The types of community benefits we may seek to incorporate to our contracts include, but are not restricted to:

- targeted recruitment and training initiatives;
- supply chain initiatives/development;
- educational support initiatives;
- support for community and/or environmental initiatives;
- supported business, third sector and voluntary initiatives; and
- support for equality and diversity initiatives.

The aims and objectives of using these are to build a range of economic, social or environmental conditions into the delivery of our contracts where appropriate to do so and we will seek to use community benefits help promote inclusiveness in local areas.

They should aim to contribute towards sustainable economic growth, which may for example contribute to strengthening communities and fragile areas or seek to deliver wider social benefit for the areas where the contract is being delivered. An example could be if we are awarding a long term contract in a fragile area we may request targeted recruitment and training in order to contribute towards inward growth and development within the area.

Where relevant and proportionate, we will incorporate community benefit clauses to our specification and terms and condition of contract, we may also evaluate community benefits offered as part of a tender submission. We will then ensure these form part of contract reviews to ensure we can monitor/track and report progress against any identified Community Benefit Requirements in our contracts. This policy supports our compliance with section 15(5)(b)(i) of the Act.

9.2 Consultation and engagement

We will, as appropriate, consult with parties who will potentially be affected by the outcome of our regulated tender processes as appropriate, and may consider consultation with (for example):

- the marketplace;

- customers/end users;
- community representatives; and
- internal stakeholders.

Consultation and engagement will be conducted in an open, equal and inclusive manner and will assist us in meeting section 15(5)(a)(i) of the Act.

The decision on when to consult and engage before a tender process will be taken on a contract by contract basis and may, for example, be undertaken when:

- we are tendering for a brand new requirement;
- the delivery of the contract may affect a local community for example during the construction of a new property which may mean local communities having access issues/noise issues/travel disruption;
- we expect that the contract may have a significant impact on end-users of the contract and we may want to seek views/comments and opinions from customers or end users of the contract; and
- we want to investigate the possibility of including community benefits to a specific contract and need to understand the needs of a specific area/community or the ability of the supply base to deliver certain community benefits.

We will consider the use of Prior Information Notices to make the market aware of our future tendering plans.

We may consider running local bidder briefing days to consult potential bidders/those affected by the contract and consider their views when constructing the tender document. We will record the output and outcome of any consultation and engagement which takes place.

We will work towards continually improving our performance and will review our tender processes to ensure feedback, comments and consultation outcomes are logged and actioned as appropriate. This policy supports our compliance with section 15(5)(b)(ii) of the Act.

9.3 Fair work practices

We are not currently an accredited employer however this is something that we as an organisation will look into. We are however committed to ensuring contracts, where relevant, address fair work practices in accordance with the Scottish Government's Statutory Guidance on this matter. Relevant contracts will be decided on a case by case basis. Like the Scottish Government, we consider payment of a Living Wage (as defined by the Living Wage Foundation) to be a significant indicator of an employer's commitment to fair work practices. Payment of the Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce. However, Living Wage is only one part of a wider framework of fair work practices and therefore is not the only factor to consider.

Fair work practices will, for any value, only be considered where pertinent to the subject matter of the requirement with criteria being relevant and proportionate. In addition, compliance with the EU Treaty Principles (transparency, equal treatment, non-discrimination, proportionality and mutual recognition) remains key.

When reviewing whether fair work practices are relevant, the nature, scope, size and place of the performance of the contract will be considered.

We will include a statement in all procurement exercises encouraging this but we cannot insist on it. Where it is felt relevant to the quality of the service/works being delivered we will evaluate this as part of the tender process. This policy supports our compliance with section 15(5)(b)(iii) of the Act.

9.4 Health and safety at work

The degree to which health and safety requirements are specified within procurement documentation will vary according to the goods, services or works being purchased. For example, particular health and safety legislation applies in the context of construction. The potential health and safety risks arising from a contract will be assessed on a case by case basis. We will ask suppliers to provide evidence to demonstrate that their organisation complies with current health and safety legislation and actively promotes and manages good health and safety practice as required.

Where particular health and safety risks are identified, suppliers will be asked as part of the procurement process to provide information on the measures that they would put in place in response to the identified risks. We will monitor contracts to ensure compliance with health and safety requirements. This policy supports our compliance with section 15(5)(b)(iv) of the Act.

9.5 Fairly and ethically traded goods and services

In order to ensure proportionate application of ethical trading standards by our suppliers we will ensure we consider the use of lifecycle costing where this is relevant and proportionate to do so.

We will complete a Life Cycle Impact mapping exercise before any regulated tender process. The purpose of this is to identify any employment, social and environmental impacts that may exist at relating to a specific product or service. This exercise may identify opportunities to incorporate fair work practices to the tender process or it may identify risks to fair and ethical work practices in the supply chain which we can then consider in the tender documentation.

We will incorporate contract conditions to our terms and conditions to ensure suppliers comply with relevant environmental, social and employment law. Our goal is to ensure goods and services are traded fairly and ethically and the supply chain is treated fairly and ethically.

We may request, as appropriate, a label certifying that the goods, works or services being procured meet specific environmental, social or other characteristics which are directly relevant to the contract. Any label requested would align with relevant established and recognised standards. This policy supports our compliance with section 15(5)(b)(v) of the Act.

9.6 Provision of food

We do not routinely conduct procurement involving the direct provision of food; however deer management by way of deer culling is part of our land management activity and a proportion of this is carried out via regulated contracts. For contracts of this nature we will promote the highest standards of animal welfare through our tender specifications, criteria and conditions of contract, ensuring that products entering the venison supply chain meet the 'Stalking and Carcase Handling Standards for Scottish Quality Wild Venison Assurance Scheme' (SQWVAS). Contracts of this nature will continue to be closely managed by our Wildlife Management teams. This policy statement supports our compliance with section 15(5)(c) of the Act.

As part of our land management activities, FES also run cattle and sheep enterprises. None of the meat from these animals is sold directly into the food chain. End of life cows and ewes are sold for further finishing prior to slaughter, although a small proportion of these may be slaughtered immediately by the purchaser. Younger cattle and sheep are either sold for future breeding purposes or sold for further feeding and finishing before eventual slaughter.

FES is a member of the [Quality Meat Scotland](#) (QMS) assurance scheme and is subject to annual compliance checks.

The majority of haulage is done using our own vehicles (which form part of the annual compliance check). Where a haulier is used we are required to use QMS approved hauliers in order to maintain the status of the stock. Similarly livestock markets used are QMS approved.

9.7 Payment of invoices

Prompt payment of suppliers is a key element of the Scottish Government's Economic Recovery Programme. In support of this, payment of valid contractor and sub-contractor invoices will be paid within 30 days throughout the supply chain of public contracts. The successful supplier will be expected to make payments to its supply chain within these maximum timescales.

Any contract holder must also adopt this approach in terms of payments to its supply chain:

- payments due by a contractor to a sub-contractor(s);
- payments due by a sub-contractor to sub-contractor

Payment to sub-contractors within 30 days is a standard term of all FES/FCS however as also required by the Scottish Government, FES/FCS endeavours to pay its own suppliers within 10 working days of receipt of agreed and valid invoices. These actions support our obligations contained within section 15(5)(d) of the Act.

Our payment performance is published within our Annual Report. In 2015/16 FES paid 93.5% of invoices within 10 days of receipt, FCS paid 94.1%.

10 Key principles

In order to meet our priorities we have developed four key principles that will contribute to improving competitiveness, helping build a fairer society and ensuring our tender processes are innovative, inclusive and encourage participation from all areas:

1 – **Sustainable procurement** – we consider sustainability for all of our regulated procurement activities and embed it, where relevant, in a proportionate manner. This will contribute, amongst others, to strengthening local communities and fragile areas (supporting our duties in sections 8 and 9 of the Act);

2 – **Long term financial sustainability** – we will ensure VFM is achieved. Price + Quality + Sustainability = VFM. We will ensure whole life costs are considered as part of this (supporting section 15(5)(a)(ii) of the Act);

3 – **Leadership and governance** – we will ensure compliance with all relevant legislation and ensuring our procurement activity is aligned to local and national priorities. We will speak clearly with a single cohesive voice and signal commitment from the top of both organisations; and

4 – **Continuous improvement** – we will continually review our approach to procurement to ensure we are improving what, and how, we deliver contracts and framework agreements and improving our contract and supplier management processes and procedures. We will look at innovations in technology to provide a seamless service. We will raise the bar for our procurement performance, ensuring that we modernise in terms of scope, use of technology, practices and procedures.

Refer to Appendix 1 for the Procurement Action Plan of how we intend working towards meeting these priorities and monitoring our progress on an annual basis. The Action Plan contains high level commercial targets that will contribute to the carrying out of our functions and achievement of our purposes, as required by section 15(5)(a)(i) of the Act.

11 Spend analysis

FCS does not currently have sufficient capability on spend analysis. Historically our procurement focus has been minimal within the organisation and as such the financial systems and processes are not yet set up to support the procurement and contract management lifecycle. This is a key area of improvement that we intend to start progressing immediately with the aim of establishing baseline spend analysis by April 2017, this will then be used to measure our progress.

Part of these improvements will be to embed the use of the [“Procurement Benefits Reporting Guidance 2015”](#), produced by Scottish Government, to identify and report savings on a regular basis. This has been reflected in our Action Plan at Appendix 1.

We have 83 live known regulated contracts and 95 live frameworks. In addition we have a number of non-regulated contracts that are managed by our local district offices/conservancies.

The large number of regulated contracts and frameworks is a cause for concern and indicates that we need to focus on reducing the volume of these; this has been reflected in our Action Plan at Appendix 1. Through the use of aggregation we aim to improve the efficiency of our resources, staff time, VfM and financial means. We also need to focus on the areas of non-regulated spend and this is also a key part of our Action Plan.

12 Implementation/monitoring/reviewing and reporting

FES and FCS view the implementation of the procurement strategy as a journey. We are at the start of the journey and we want to ensure that we capitalise as much as possible. We as an organisation have a great deal of change on the horizon on top of balancing the everyday pressures on our sustainability.

The Scottish Government launched its consultation on the future of forestry in August 2016. The aim of which was primarily about completing the devolution of forestry to make the management of forestry directly accountable to Scottish Ministers. The aim of that consultation was to gather views on our planned approach to new arrangements for the governance, development, support and regulation of forestry in Scotland. It will have huge implications for the future of FES and FCS which will become clearer towards the end of 2016 into early 2017.

During the next two years we are also preparing for major internal structural changes in the shape of the devolution of our shared services between England and Scotland. This will draw on a large amount of resources to administer and will fundamentally change how we have previously worked. A priority will be the need to establish our policy and procedures to ensure a smooth transition. An example of this is the supply of plants from our nurseries, as of April 2017 Scotland will take ownership of the Newton Nursery and manage its own plants and seed supply.

Over the last two years we have experienced income fluctuations and cost pressures that continue to have a major impact on our financial sustainability. These risks are clearly presented in our risk management process and we believe through our category management that procurement can be a positive lever and solution.

To help contribute towards some of these changes we as an organisation need to look ahead at our future procurement needs. We intend to create our 2 year pipeline of future spend taking a category management approach to develop category strategies that identify the best procurement solutions for each spend category, giving firm commitments to suppliers where we can.

We need to raise awareness of frameworks and contracts which already exist, review spending patterns and identify opportunities to aggregate and create new contract arrangements. We recognise that this needs a change in culture on spend and we are committed to identifying maverick spend and inefficient spend under £50k.

A programme of audit work will be agreed with the Head of Finance & Procurement and the Accountable officers for both FES and FCS on an annual basis.

The Procurement Team will report progress against our Action Plan to the relevant Management Boards (FESMB and FCSMB) on an annual basis.

Where appropriate, the Procurement Team will seek feedback from bidders/clients and internal staff before/during and/or after the tender process is complete to continually review processes.

Key performance attainment benchmarks are embedded into the Procurement & Commercial Improvement Programme (PCIP) (more information can be found [here](#) on PCIP). To identify gaps and improve standards, we will work with Scottish Government to become part of the PCIP process which will assess competence against key areas of the Procurement process including:

- leadership and governance;
- development and tender;
- contract; and
- key purchasing processes.

Implementation and delivery will be progressed through a Procurement Action Plan which will be developed following the first assessment expected in early 2018, however in the meantime we have set some high level targets we wish to progress; these can be viewed in Appendix 1.

Our objectives will be reviewed and reported annually and new targets set for the coming year.

13 Strategy ownership & contact details

FES and FCS are embracing the challenges that the new Scottish procurement legislation presents and we intend to capitalise on the benefits that procurement can deliver. We have developed an Action Plan that we feel will contribute to our procurement journey. All members of the Management Board (FES and FCS) have a responsibility to bring the plan to life.

The owner of the Procurement Strategy will be as follows:

Donna Mortimer

Head of Finance & Procurement

+44 (0) 300 067 6000

Procurement.scotland@forestry.gsi.gov.uk

Prior to publication the procurement strategy will be discussed and agreed at both FES Management Board and FCS Management Board.

Appendix 1 – Action Plan

Objective	Aim	What we will do	Outcome	Target Date	Review Date
Embed sustainable procurement practices into our regulated procurement activity	Compliance with the Sustainable Procurement Duty	Ensure the sustainability test is carried out prior to every regulated tendering process. Consider whole life costs of contracts	Sustainable opportunities are realised in all appropriate regulated tender processes	Dec-16	Dec-17
	Monitor and report progress around improving our Sustainable practices	Complete the Flexible Framework annually and compile an annual Action Plan. We will achieve Level 1 in 2017	The Procurement Team work towards embedding sustainable procurement practices into all of our activity and can track progress annually.	Dec-17	Dec-17
	Development and continuous review of our supply chain needs	investigate opportunities for further supplier engagement and development to ensure that we a sustainable supply chain for all areas of activity, which includes new and existing suppliers.	A plentiful supply chain engaged with new technologies and E-platforms.	on-going	on-going
	Increase spend with SME's, supported businesses and disadvantaged groups	Pre-market engagement and consultation as appropriate. Identify any potential opportunities for awarding contracts to supported businesses or disadvantaged groups. Consider lotting of regulated contracts	Ability to report spend with SME's annually, along with any contracts awarded to supported businesses or disadvantaged groups. Compliance with section 15(5)(a)(iii) of the Act.	Apr-17	Apr-18
	Build in fair work practices to any relevant contract	Consider whether it is relevant and proportionate to the contract to promote and or evaluate fair work practices as part of the regulated tendering process.	Fair work practices may be adopted by the successful bidder, where relevant and proportionate	on-going	on-going
	Increase ability to innovate within tenders and contracts	Increase use of output based specifications and criteria where possible.	Potential to take up innovative solutions where they are offered as part a successful tender	on-going	on-going
	Increase the number of contracts with Community Benefits clauses (CBC)	Consider CBC for every regulated tender process we run.	Potentially increased number of regulated tenders with Community Benefits criteria within them.	on-going	on-going
	Create a Sustainable procurement policy	We will create a sustainable procurement policy which will include further details about our approach to Community Benefits and Fair Work Practices.	policy published on the internet	Dec-17	annually

Objective	Aim	What we will do	Outcome	Target Date	Review Date
Long term financial sustainability	Develop process to report financial savings	Adopt the Procurement Benefits Savings Tracker methodology provided by Scottish Government and establish a process to capture, record and report the information to management boards	Report cost savings on major contracts, reporting to management boards via dashboard reporting	Apr-18	6 monthly
	Understanding organisational spend and spend profiles	Review the use of Accounts Payable (AP) process and make recommendations for change that will improve the quality of spend analysis. Explore the use of AP, what it is used for and who has access. The aim will be to minimise this route.	Improved spend data to be used to inform decision making	Mar-16	on-going but end Mar-16
		Review the use of GPC spend and make recommendations for change that will improve the quality of spend analysis. Explore the use of GPC cards and what they are used for. The aim will be to limit use of the cards to specific spend categories.	Improved spend data to be used to inform decision making	Mar-16	on-going but end Mar-16
		Review the existing product codes within E-Fin, make recommendations for change that will improve the quality of spend analysis.	Improved spend data to be used to inform decision making	Mar-17	Dec-16
		Review the process for the creation of contract orders within E-Fin, make recommendations for change that will improve the output and thus improve the quality of spend analysis.	Improved spend data to be used to inform decision making	Mar-16	on-going, review Mar-16
		Investigate, develop and implement methods to control the access and actions that users can take within E-Fin. Establish tolerance and access levels including the possibility of embedding DLA/DPA within user profiles.	Improved control mechanisms that strengthen the procurement output and financial assurance	Mar-17	annually
		Establish reporting requirements, mechanisms and formats that help analyse our spend across the business that will then support the decision making. This will include establishing a baseline spend analysis for the start of 2017/18.	Improved spend data to conduct compliance checks, report savings and inform pipeline planning	Mar-16	on-going
	Identify collaborative spend and increase this where appropriate	Through improved spend data we will identify those collaborative contracts we're already using. We will work to identify further frameworks that we could use, and will adopt these where beneficial. We will work to identify opportunities to collaborate with other public bodies where possible.	Increased transparency of collaborative arrangements being used, and increased use of collaboration where possible.	Apr-18	annually
	Look ahead at our future needs	We will commit to creating our 2 year pipeline of future spend. Taking a category management approach we will work with the business to develop category strategies that identify the best procurement solutions for each spend category, giving firm commitments to suppliers where we can.	VfM, supplier certainty and engagement	Dec-17	on-going
	Change our culture on spend	We will raise awareness of frameworks and contracts which already exist, review spending patterns and identify opportunities to aggregate and create new contract arrangements. We will conduct more audit checks to try and identify maverick spend and inefficient spend under £50k	Improve contract visibility and reduce maverick spend. Improve spend efficiency under £50k	Apr-18	on-going

Objective	Aim	What we will do	Outcome	Target Date	Review Date
Leadership and Governance	Procurement Strategy published which aligns to our local and national priorities	Consultation with relevant stakeholders to ensure the strategy aligns with our objectives and contributes to delivery of our core functions while ensuring value for money	Strategy published and reviewed annually to reflect the changing local and national priorities	Dec-16	Dec-17
	Procurement templates and guidance documents are updated to ensure they reflect legislation, policy and best practice	We will update our internal templates to reflect new requirements and incorporate requirements such as the Sustainable Procurement Duty. Update templates and guidance will be based on lessons learned and will take best practice from Scottish Government's procurement journey	Compliance with our legal obligations, internal policies and best practice. No successful legal challenges.	on-going	on-going
	Provide staff and suppliers with procurement updates and information through our web channels	Consider using our website, supplier events and social media to promote procurement and provide relevant updates that may affect staff and suppliers. Engage more with internal teams to signpost/promote where information and guidance can be obtained. Attend meet the buyer events and consider alternative ways to engage with the market e.g. webinars.	Better informed suppliers which may result in more competitive tender responses.	on-going	on-going
Objective	Aim	What we will do	Outcome	Target Date	Review Date
Continuous Improvement	Implement a system for the Procurement Team to ensure we request feedback and collate lessons learned from internal and external parties to improve our processes and performance	We will request feedback and capture lessons learned about our tender processes from internal and external parties involved in tendering with HIE to continually improve our performance.	Improved tender processes and documentations. resulting in wider benefits being delivered as part of contract delivery and leaner procurement processes	on-going	on-going
	A corporate approach to contract and supplier Management	CSM Guidance – develop and introduce to ensure we can annually report. Develop formal contract review processes and documentation to capture relevant contract data	Provide regular MI to track contract management and ensure accurate annual reporting on all regulated contracts.	Apr-17	Dec-17
	Review of the DPA scheme of delegation	Review of the existing scheme of delegation to establish a framework of training and awareness to ensure that all DPOs meet the minimum requirement	Increasing controls leading to greater assurance	Dec-17	annually
	Improve our management information on the spend analysis	Develop key criteria for management information that can be used internally and externally to the organisation. Development of a dashboard type approach that will suit all readers.	Key management information to aid the creation, monitoring and benchmarking of our targets	Apr-17	6 monthly