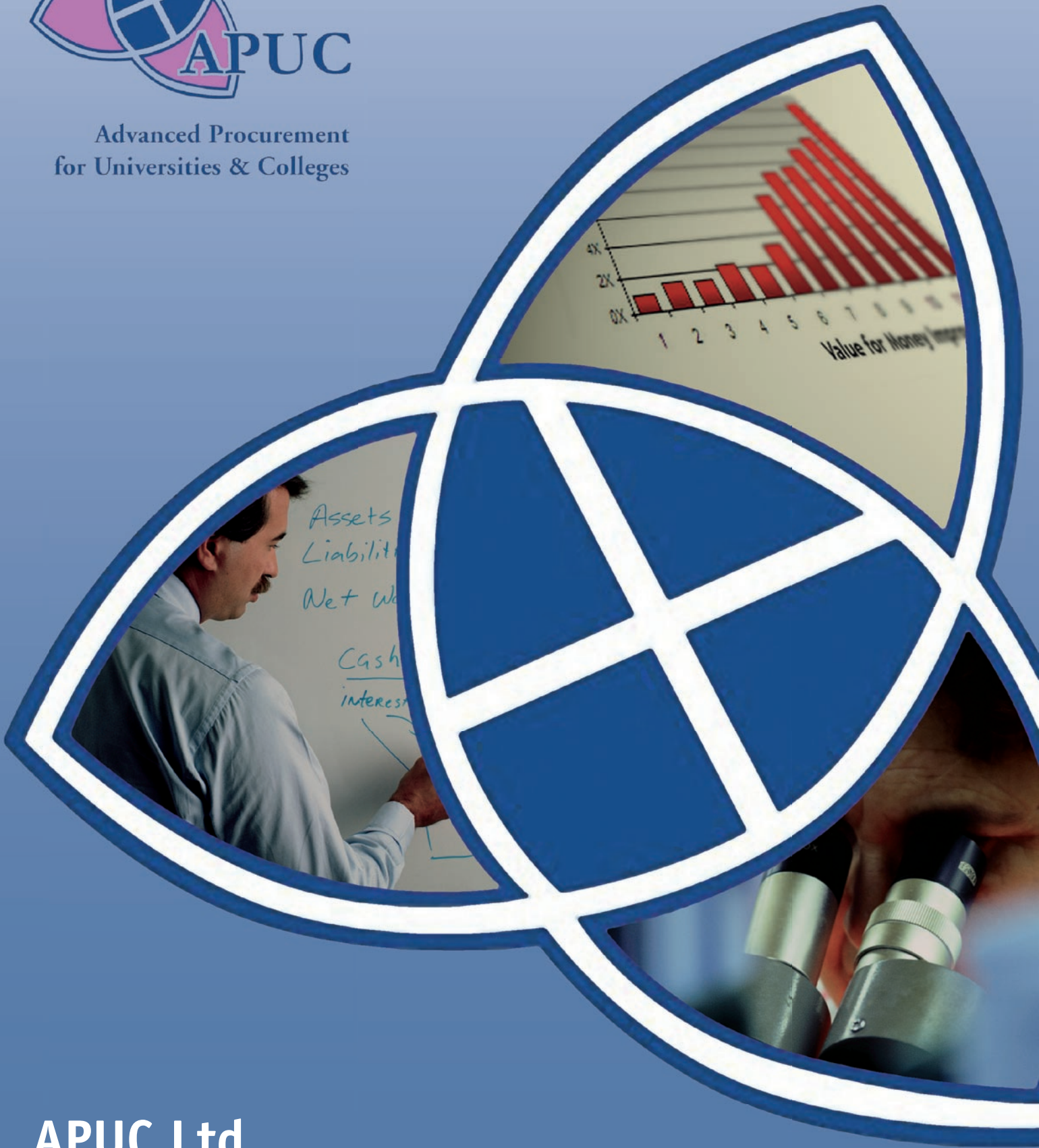




Advanced Procurement
for Universities & Colleges



APUC Ltd Strategic Plan 2007 – 2010

Delivering advanced procurement through partnership

Foreword

The successful implementation of the McClelland vision of advanced procurement brings with it the potential to increase significantly the investment in Scotland's provision of Teaching and Research. The creation of APUC, as the procurement Centre of Expertise for Scotland's universities and colleges, provides access to a pool of expert resources focused on delivering benefits for institutions.

Much has been said about procurement transformation or reform, and it would be easy to think that complex and difficult changes are required. And yes, there are aspects of advanced procurement which require significant change and expertise, but in the main what is called for is doing the simple things right. In particular, appropriate governance, putting sound collaborative contracts in place and using them, and the adoption of e-procurement tools.

The award of funding from the Scottish Government's Efficient Reform Fund and the Scottish Funding Council to support the procurement reform in our universities and colleges is welcomed. The establishment of APUC creates a unique opportunity for universities and colleges to demonstrate collaboration on a pan-Scotland scale. We have enjoyed some relative success in the past through Proc-SNI and other regional or local collaborative arrangements, but we now need to build upon these foundations to make the step change needed to maximise the benefits from extended collaborative procurement.

We see APUC, which is owned and governed by our universities and colleges, having a pivotal role in leading the way towards the achievement of advanced procurement. However, we will only succeed if this leadership is supported by real commitment and by effective partnership working with both institutions and suppliers. It is this fusion of customers, procurement expertise and market intelligence, operating in a robust governance environment, that will deliver advanced procurement and through it tangible benefits for institutions.

There is clear scope for APUC to provide services that will help all institutions transform procurement arrangements and thereby deliver sustainable efficiencies. For example, a co-ordinated and appropriate approach to supplier management will not only ease the administrative burden on institutions, but will, when coupled with better collaborative contracts, deliver real efficiencies.

Also, not all institutions have the capacity to deal with the increasing complexities of procurement legislation and therefore are at risk of non-compliance. Suppliers are increasingly, and understandably, being encouraged to raise concerns about non-compliant practice, which in extreme cases can result in lengthy and costly legal proceedings. It is vital therefore to ensure that public procurement rules are understood and applied.

This plan sets out how APUC, working with institutions and suppliers, will respond to the challenges of procurement reform and explains how the services to be provided to institutions will help embed good procurement practice and deliver significantly improved and sustainable value for money.

We ask for your support in delivering this vision.



Gavin Macdonald
Chair



Brian Baverstock
Chief Executive



Vision

To maximise the contribution that advanced procurement makes to Scotland's investment in Teaching and Research.

Mission

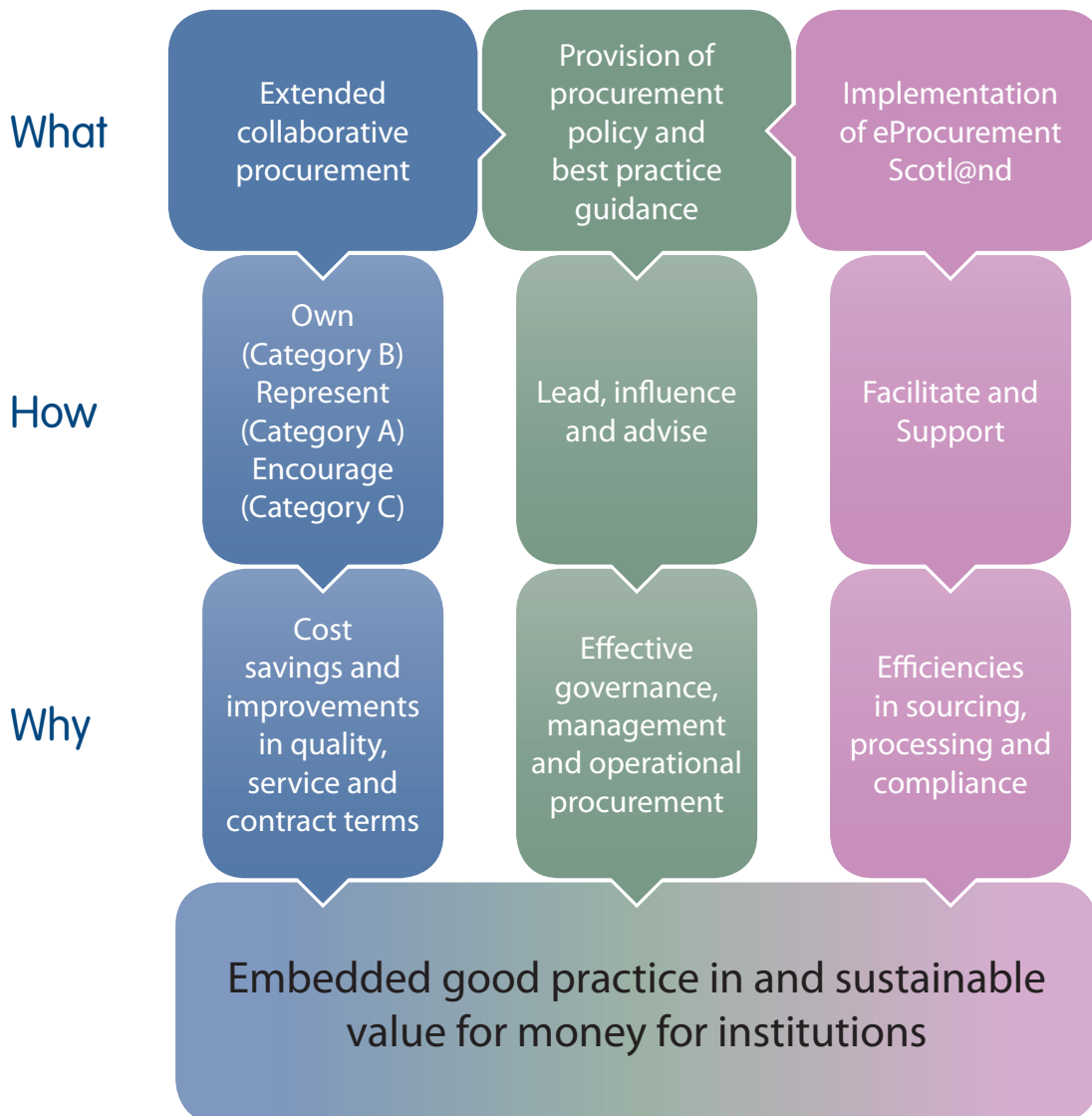
To support the embedding and consistent application of good procurement practice within Scotland's further and higher education institutions, and to increase significantly the sustainable value for money from institutions' procurement expenditure through the provision of advanced procurement services.

Key delivery strategies

The mission is underpinned by three inter-related key strategies: extended collaborative procurement; provision of procurement policy

and best practice guidance; and supporting the implementation of eProcurement Scotl@nd (ePS). The relationship between these strategies and how and why APUC will support them is summarised in the diagram below.

On their own, each of these strategies has the potential to deliver improvements, but together, with the support of central funding, they provide an unprecedented opportunity to deliver sustainable benefits for institutions. However, this potential will only be realised if there is a real commitment from institutions to work in partnership with APUC and suppliers. It is this fusion of customers, procurement expertise and market intelligence, operating in a robust governance environment, that will deliver advanced procurement, and through it sustainable benefits for institutions.



Scope

In considering the application of these strategies it is important to recognise that APUC is not responsible for all institutional procurement, but its remit means it will seek to influence improvement, where appropriate, across all procurement activities.

The framework for extended collaborative procurement is set out in the McClelland Report, which identified contracting activity falling into three key categories. In summary, these are:

- **Category A (National contracts):** within the remit of the Scottish Government's Procurement Directorate. National contracts cover a relatively small number of high value goods and services which tend to be standard or of a similar nature and used widely throughout the publicly-funded sector in Scotland. APUC has a key supporting role to ensure that the interests of institutions are effectively represented in this level of contracting;
- **Category B (Sector specific contracts):** within the remit of the sectoral Centres of Expertise. For universities and colleges this is APUC. These contracts tend to be unique to a specific sector yet common within that sector; and
- **Category C (General contracts and C1 – Local/Regional contracts):** within the remit of a single organisation, for example a university or college. Where goods and services are not categorised as A or B they are automatically defined as Category C. However, recognising the opportunities for local or regional collaboration, Category C1 commodities are defined as those capable of collaboration at these levels and the remit would fall to a lead organisation. This level of collaboration could be pan-sector. APUC has no direct contracting role for Category C or C1, but will seek to encourage, and where possible support, such collaboration.

Aims

Delivery of these strategies is underpinned by the following aims:

Aim 1

To deliver sustainable value for money for institutions through reducing the cost and raising the standard of procurement and increasing the quality of service from suppliers.

Aim 2

To support the application of robust and professional governance, management and operational standards to all procurement activities and expenditure.

Aim 3

To promote, demonstrate and help institutions realise the benefits from e-Procurement.

Aim 4

To generate timely and accurate management information to improve the quality of decision making and deliver continuous performance improvement.

Aim 5

To promote a shared vision and partnership culture across institutions and with other procurement agencies.

Aim 6

To integrate sustainable development into APUC procurement practice, policies and guidance and into university and college supply chain processes.

Aim 7

To ensure the long-term operational capability and financial sustainability of APUC.

Objectives and actions

The following tables set out more specific objectives and actions explaining how these aims will be achieved. The actions focus on activities over the remainder of 2007 and 2008. Objectives and supporting actions will be reviewed and, where appropriate, updated annually.

Objectives and actions

Aims

Aim 1

To deliver sustainable value for money for institutions through reducing the cost and raising the standard of procurement and increasing the quality of service from suppliers.

Objectives

1 To implement a comprehensive collaborative procurement strategy which delivers the maximum benefits to institutions.

Actions

1 Undertake detailed annual analyses of institutions' procurement spend and supplier markets to determine short, medium and long-term contracting strategies.

Initial exercise Q3 - Q4 2007 and thereafter annually. Supplier market analysis will be undertaken in line with sourcing and commodity waves.

2 Realise early opportunities through extending the benefits of existing contracts to all institutions.

Initial phase is Q3 2007 – Q1 2008. Thereafter, opportunities will be assessed on an ongoing basis.

3 Establish User Intelligence Groups to ensure that end-user requirements are understood and opportunities for standardisation are realised.

Operating model agreed Q3 2007 and first UIGs established Q4 2007 and thereafter in line with sourcing and commodity waves.

4 Develop a compliance strategy and support its adoption by institutions.

Q1 – Q2 2008.

Cost savings and improvements in quality, service and contract terms

Objectives

Actions

2 To develop trust based working relationships with suppliers.

1 Develop and implement a suppliers communication strategy to underpin ongoing dialogue.
Q4 2007 – Q1 2008 as element of Communications Plan.

2 Provide guidance to prospective suppliers wishing to do business with institutions.
Q4 2007 - Q1 2008.

3 Apply the terms of the Scottish Government's Suppliers Charter and promote its adoption by institutions.
Introduced Q2 2007 and application to be reviewed in Q1 2008.

4 Develop effective and innovative partnership arrangements with suppliers and implement a consistent contract management strategy.
In line with sourcing and commodity wave activity.

5 Establish and maintain comprehensive and accessible supplier and contracts database.
Q4 2007, with quarterly updates.

6 Establish and implement a contract management tool.
Q2 2008.

Objectives and actions

Aims

Aim 2

To support the application of robust and professional governance, management and operational standards to all procurement activities and expenditure.

Objectives

1 To work with institutions to define and achieve appropriate governance and accountability standards.

2 To improve significantly the capability, professionalism and operational effectiveness of procurement within institutions, and ensure that procurement expertise is accessible to all institutions.

Actions

1 To support, as appropriate, institutions achieving the minimum governance and accountability standards set out in the McClelland report.

Q1 – Q2 2008.

2 Develop guidance and practical tools to assist governing bodies and senior management to meet their responsibilities, including legal requirements, in relation to procurement.

Q1 – Q3 2008.

1 To establish and maintain a register of procurement professionals and officers within institutions.

Initial exercise Q1 2008.

2 To promote the professionalism of procurement and encourage continued professional development.

Q2 2008 and reviewed annually thereafter.

3 Undertake a review of existing capabilities and develop a procurement skills and knowledge strategy and training and development plan for institutions to help fill any identified gaps.

Q2, 3, 4 2008.

4 Publish a procurement manual and related practical guidance.

Internally for APUC Q4 2007. For institutions Q3 2008.

Effective governance, management and operational procurement

Objectives

Actions

5 Evaluate procurement support models to identify and implement an approach that delivers best value for institutions.

Initial proposal Q2 – Q4 2008.

6 To ensure that institutions' and APUC's operational (procurement) plans are aligned to ensure that opportunities for synergy are identified and realised.

Initial exercise Q1 2008, thereafter reviewed annually.

7 Contribute to the development and propose and implement a code of business conduct and prepare and implement professional procurement standards for use by institutions and APUC.

Internally for APUC Q4 2007. For institutions Q2 – 4 2008.

8 Develop and/or promote existing good practice guidance for institutions on key aspects of procurement.

Main stocktake effort Q1-Q2 2008.

9 Define and promote the role of the Senior Responsible Officer (for procurement) within institutions.

Q1 – Q2 2008, thereafter supporting role to be determined.

10 Establish and support a Procurement Network encompassing all institutions and linking them to APUC.

Q4 2007.

Objectives and actions

Aims

Aim 3

To promote, demonstrate and help institutions realise the benefits from e-Procurement.

Objectives

1 To support the implementation of ePS into all institutions.

Actions

1 To gain institutions' commitment to ePS and ensure implementation plans are resourced and delivered.
Plans through to Q4 2008 established by Q4 2007. Commitment from all institutions to be confirmed Q2 2008.

2 Evaluate options for and deliver accelerated access to ePS for all small institutions.
Phase 1 Q4 2007 – Q2 2008. Phase 2 Q2 2008 – Q2 2010.

3 Represent the interests of institutions in discussions with the Scottish Government to ensure that the planned developments of ePS reflect the needs and requirements of institutions.
Ongoing.

4 Establish and support an ePS User Group.
Q4 2007.

5 To advise institutions on the application of the e-sourcing toolkit currently offered by ePS – e-tendering, e-acution.
Engagement process commenced Q2 2007. Ongoing activity to Q4 2008.

6 To advise and support institutions on the development and introduction of e-invoicing.
Q2 2008.

7 To advise institutions on the application of content management.
Q1 2008.

Efficiencies in sourcing, processing and compliance

Objectives

Actions

2 To ensure that the process and compliance efficiencies offered by ePS are fully realised and measured by institutions.

8 Combine commodity management planning with ePS rollout to ensure opportunities for synergies are realised.

Q1 2008.

1 Implement a baselining methodology to enable benefits to be measured and tracked and agree a benefits plan with each institution.

Q2 2007 Q4 2008.

2 To support business process change through training and knowledge transfer to ensure that good practice is applied.

Process initiated as part of Phase 1 of implementation continuing support to be provided.

3 Implement a supplier adoption strategy which delivers optimum rationalisation of the supplier base and common pricing.

Initial process Q3 2007.

Refinement Q1 2008.

4 To ensure that any case for retaining procurement legacy systems in parallel to or as an alternative to ePS is critically evaluated.

Case by case assessments as required.

Objectives and actions

Aims

Aim 4

To generate timely and accurate management information to improve the quality of decision making and deliver continuous performance improvement.

Objectives

1 To establish a management information system which meets the needs and requirements of institutions and APUC.

2 Put in place a common set of measures to be used by institutions and APUC to monitor and evaluate performance.

Actions

1 To work with institutions to identify the information data sets needed to underpin the advanced procurement programme.
Q4 2007 – Q3 2008.

2 Develop a MIS which is user friendly, effective and readily accessible to institutions.
Q4 2007 – Q3 2008, thereafter support and maintenance role.

1 Evaluate the options and support the adoption of a common efficiency measurement tool.
Q4 2007 – Q2 2008, thereafter management and support role.

2 Develop with institutions and, where appropriate, other sectors a set of KPIs and agree format and reporting intervals.
Q4 2007 – Q1 2008, thereafter management role.

Aims

Objectives

Actions

Aim 5

To promote a shared vision and partnership culture across institutions and with other procurement agencies.

1 To achieve full buy-in from institutions to support the activities of APUC.

1 Ensure through strategic and operational planning that APUC activities and resources are aligned to institutional needs and requirements and that added value tests are applied in all cases.

Q1 – Q3 2008 and annually thereafter.

2 Ensure strong and effective working relationships with key stakeholder groups, the Procurement Network and Programme Advisory Group.

Protocols established Q4 2007 and thereafter ongoing.

3 Formalise the relationship between institutions and APUC by securing sign-up to the Partnership Agreement.

Q4 2007 – Q1 2008.

4 Implement a comprehensive communications strategy and maintain strong links with key stakeholder groups.

Initial communications plan Q2 2007, to be refined Q1 2008.

2 Maintain strong and mutually beneficial working relationships with external bodies and groups.

1 Ensure effective contributions to the Centre of Expertise Procurement Reform Delivery Group.

Initiated Q1 2007.

2 Ensure the highest standards of stakeholder management are applied.

Initial approach introduced, to be reviewed/refined Q1 2008.

3 Undertake environment scanning to ensure procurement developments nationally and internationally are monitored and opportunities for improvement are identified and realised.

Q1 2008 and ongoing.

Delivery through partnership

Objectives and actions

Aims	Objectives	Actions
Aim 6		
To integrate sustainable development into APUC procurement practice, policies and guidance and into university and college supply chain processes.	1 To promote that all procurements are referenced to social, ethical and environmental requirements and good practice	1 Work with institutions to develop sustainable procurement policies and guidance, drawing upon all available expert sources on sustainable development. Q1-Q2 2008.
		2 Manage suppliers so that they act in socially responsible ways and are aware of the risks of failing to meet standards set. Approach embedded within contracting strategy and supplier communications, therefore linked to these activities, and also delivered through APUC's complaints procedure.
		3 Develop an approach to monitor and, where appropriate, managing the risks from the departure from good practice. Q2-Q3 2008.
	2 To promote the adoption of whole life costing to procurement decision making processes.	1 Provide training in the application of whole life costing tools to factor in all costs material to a purchasing decision. Q2 – Q4 2008.
		2 Stimulate thinking on striking a balance between value for money benefits and social and environmental sustainability. Q2 2008.

Sustainable, social and ethical procurement

Aims	Objectives	Actions
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Aim 7

To ensure the long-term operational capability and financial sustainability of APUC.

1 To establish and maintain a skilled and motivated workforce capable of meeting operational demands and developing business.

1 Establish competencies, staff training and development and performance plans.
Q2 2008.

2 Ensure personal responsibility plans are aligned to the strategic and operational objectives of the Company.
Q1 2008.

3 Evaluate the options and select an appropriate external quality assessment model.
Q3 2008.

2 To ensure that the future funding strategy is planned and managed to secure long-term viability while minimising the financial burden on institutions.

1 To consult with key institutional representative groups concerning the options analysis and the favoured funding proposition.
Q1 2008.

2 Evaluate potential funding options and develop an implementation plan.
Q1 2008.



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