



**TRANSPORT
SCOTLAND**
CÒMHDHAIL ALBA

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Transport Scotland Procurement Strategy 2017-2020

Revised August 2019

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Foreword

Transport Scotland's Procurement Strategy was published in December 2016 and has been reviewed and revised in 2019, in line with requirements under sections [15 to 21 of the Procurement Reform \(Scotland\) Act 2014](#).

Transport Scotland's financial resources 2018/2019 are part of the Scottish budget, which is currently set on an annual basis, to deliver a safe, efficient, cost-effective and sustainable transport system and infrastructure for the benefit of the people of Scotland. It plays a key role in helping to achieve the Scottish Government's Purpose of increasing sustainable economic growth with opportunities for all of Scotland to flourish.

While a large part of this budget is allocated to other public and private sector organisations through grants and support, Transport Scotland's procurement spend is significant and was more than £830 million on contracts under its management in 2017/2018.

Transport Scotland's Procurement Strategy plays a key role in supporting the Scottish Government's overall procurement aims to deliver value for money, quality and sustainability and sets out our priority to adopt best practice across the wide range of procurement activity that Scottish Ministers have charged Transport Scotland to deliver.

We are proud of the Agency's procurement capability score of 92%, as independently assessed under Scottish Government's Procurement and Commercial Improvement Programme ([PCIP](#)) in February 2019, which places Transport Scotland in the highest available PCIP performance band. We continue to look at ways to improve our performance, procure in a sustainable manner, encourage innovation and achieve the maximum benefit from Scottish Government's investment in transport.

1. Executive summary

Procurement and commercial capability are key enablers to successfully delivering Transport Scotland's business, and in particular its major projects.

Transport Scotland's Procurement Strategy 2017-2020 is underpinned by the recognition of the wider impact that procurement policy and practice has on the Scottish Government's Purpose. The commitments made in this Procurement Strategy support Transport Scotland's vision for procurement:

"To support the delivery of value for money, sustainable and innovative infrastructure and services in fulfilment of the Scottish Government's ambition and vision for transport, and Transport Scotland's corporate commitments through a strategic and systematic approach to procurement."

The procurement of works, services and goods to support infrastructure investment enables the delivery of a safe, efficient, cost-effective and sustainable transport system for the benefit of the people of Scotland.

As an Agency of the Scottish Government, and in line with the [Procurement Reform \(Scotland\) Act 2014](#), Transport Scotland has reviewed its Procurement Strategy 2017–2020 to ensure that it continues to support the Scottish Government's goals of increasing competitiveness and tackling inequality.

Transport Scotland's Procurement Strategy is aligned to our [Corporate Plan](#) and sets out the strategic direction of Transport Scotland's procurement activity until 2020, taking account of our legal obligations while ensuring that we make the best use of public money.

Transport Scotland's first Annual Report on the performance of Transport Scotland's regulated procurements was published in November 2018.

2. Transport Scotland's corporate commitments

2.1. Transport Scotland's Procurement Strategy in context

Transport Scotland's Procurement Strategy identifies the key policies and processes to be followed in any procurement activity undertaken by the Agency. It sets out the corporate procurement aims and associated actions to support the achievement of Scottish Ministers' ambition and vision for transport, and the delivery commitments set out in the [Transport Scotland Corporate Plan for the period 2017-2020](#).

This document sets out the framework in which Transport Scotland will work to ensure that procurement delivers value for money and sustainability.

2.2. Transport Scotland's corporate delivery commitments

As an Agency of the Scottish Government, Transport Scotland supports and advises the Government on the strategy and policy options for transport in Scotland, to enable the delivery of major transport projects and to maintain the infrastructure of Scotland. The agency is responsible for overseeing the operation and improvement of:

- trunk road, ferry, inland waterway and railway networks in Scotland
- air passenger facilities and routes in the Highlands and Islands
- national concessionary travel schemes
- provision of travel information services
- future transport policy and investments
- promoting sustainable transport and road safety

As a key enabler for enhancing productivity and delivering faster, more sustainable growth, transport is a key element of the overall strategy for infrastructure investment and is central to the Scottish Government's ambitions for a low carbon economy.

Transport Scotland seeks to deliver a safe, efficient, cost effective and sustainable transport system for the benefit of the people of Scotland. The [Scottish Government's Programme for Scotland 2018-19](#) commits to continuing to invest more than £1 billion every year in public transport and to deliver a programme of investment in all forms of transportation. Transport Scotland's [Corporate Plan \(2017-2020\)](#) supports this programme and sets out the commitments that Transport Scotland will deliver to support the Scottish Government's Purpose. Our priorities for transport in Scotland are encapsulated within our five high level objectives and three strategic outcomes.



Figure 2.2

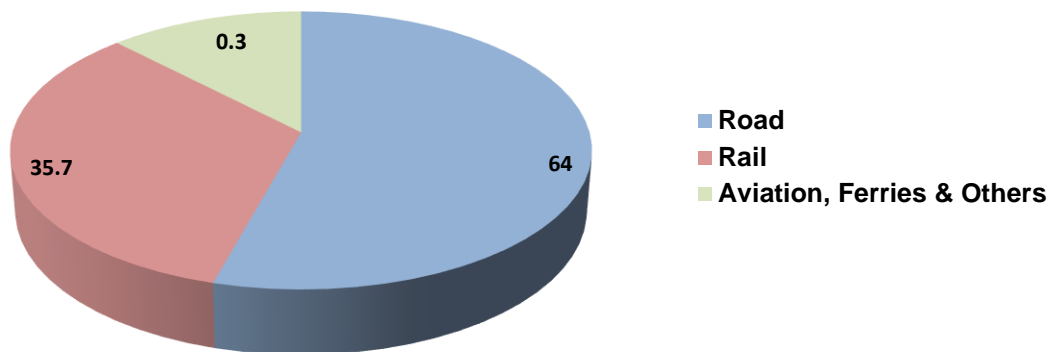
2.3. Transport Scotland’s procurement spend

Transport Scotland has a wide range of procurement needs to support the responsibilities listed above. In 2017/2018 Transport Scotland spent in excess of £830 million on contracts under its management. There are on average more than 200 contracts in place at any one time. These range from large-scale construction contracts such as those associated with the A9 Dualling from Perth to Inverness and the Rail Electrification Programme, through to the purchase of goods and services through collaborative contract arrangements for supplies needed to keep our staff and offices supported and operational. In accordance with the requirements of the Procurement Reform (Scotland) Act 2014, Transport Scotland’s Contracts Register, including details of contracts entered into as a result of a regulated procurement is published on the [Public Contracts Scotland portal](#).

Figure 2.3 shows the breakdown by transport mode of total procurement spend in Transport Scotland in 2017/2018. The rail segment includes spend on the ScotRail Franchise (35.7%), which is the highest value contract let by the Scottish Ministers with a value over its duration of around £7.7 billion.

This spend represents a substantial proportion of Transport Scotland’s budget with most of the remainder being expended as grant funding and other forms of support to other public and private sector organisations. Details of budget allocation can be found in the Agency’s [Corporate Plan \(2017-2020\)](#).

Spend through contracts awarded by Transport Scotland (%£800m+)*



*this does not include funding to Network Rail of around £500m per annum or other grants and support allocated to other public and private organisations

Figure 2.3

2.4. Stakeholders engagement

Effective engagement with our stakeholders on procurement matters is essential to drive innovation, best practice and collaboration. The following list, although not exhaustive, outlines the broad range of Transport Scotland's stakeholders.

- active travel groups
- Association of Consulting Engineers
- Civil Engineering Contractors Association
- Commercial Directorate and Scottish Government Legal Directorate
- community groups
- Convention of Scottish Local Authorities (COSLA)
- cycling groups
- Federation of Small Businesses
- Freight Haulage Association
- Highways Term Maintenance Association

- National Park Authorities
- Network Rail
- non-motorised user groups
- public utility providers
- public transport groups
- Regional Transport Partnerships
- ScotRail
- Scottish Futures Trust
- Scottish Government Directorates, including Scottish Procurement and local authorities
- Scottish Ministers
- Society of Chief Officers of Transportation in Scotland
- Statutory bodies i.e. Scottish Natural Heritage and Historic Scotland
- Suppliers
- third sector
- trade unions
- universities and other academic establishments

Transport Scotland advertises all regulated procurement opportunities as well as lower value procurements through the [Public Contracts Scotland Portal](#) and those valued at over the relevant EU threshold are also advertised through the Official Journal of the European Union (OJEU). Early market engagement is undertaken by Transport Scotland to identify areas of savings, added value and innovation and to ensure that tendering for Transport Scotland contracts remains an attractive opportunity.

Transport Scotland holds industry days when required to promote interest in forthcoming contract opportunities and inform potential suppliers of the business opportunities that a contract may provide. Transport Scotland also regularly utilises Competitive Dialogue procedures for works contracts to encourage innovative solutions and achieve best value for money.

3. Procurement governance

3.1. Procurement governance

Procurement is an integral part of the project management process in Transport Scotland and consequently this activity is not undertaken by a centralised procurement function but instead carried out in a devolved manner by staff with appropriate skills and expertise who are members of specific project teams.

The Scottish Procurement and Commercial Directorate of the Scottish Government controls the publication and dissemination of best practice, process and standards of procurement across the core Scottish Government and its Agencies, including Transport Scotland. The [Scottish Government Procurement Policy Manual](#) sets out the requirement for purchasing authority to be held by officials requiring to commit to entering into a contract. Purchasing authority is delegated to senior officials by Accountable Officers as considered appropriate.

Transport Scotland's procurement governance hierarchy is shown overleaf in Figure 3.1 . Transport Scotland's Chief Executive (Roy Brannen) is the accountable officer who is responsible for the propriety, effectiveness, efficiency and economy of procurement activity within the Agency. The Chief Executive has appointed the Director of Purchasing (Michelle Rennie) to hold purchasing authority for all procurement relating to the management and operation of Transport Scotland. The Director of Purchasing has been given authority to sub-delegate purchasing authority to Delegated Purchasing Authority Holders in individual project teams within Transport Scotland as considered appropriate. Those who have been delegated purchasing authority by the Director of Purchasing are empowered to contractually commit Transport Scotland to enter into a contract and agree changes to an existing contract affecting the financial or legal terms and conditions. Levels of purchasing authority may vary depending on the role requirements and the type and value of contracts.

The Director of Purchasing is supported in her duties by the Deputy Director of Purchasing. The Director of Purchasing meets biannually with the Director of Procurement and Commercial (Ainslie McLaughlin) from the Scottish Government's Scottish Procurement and Commercial Directorate to discuss procurement-related issues.

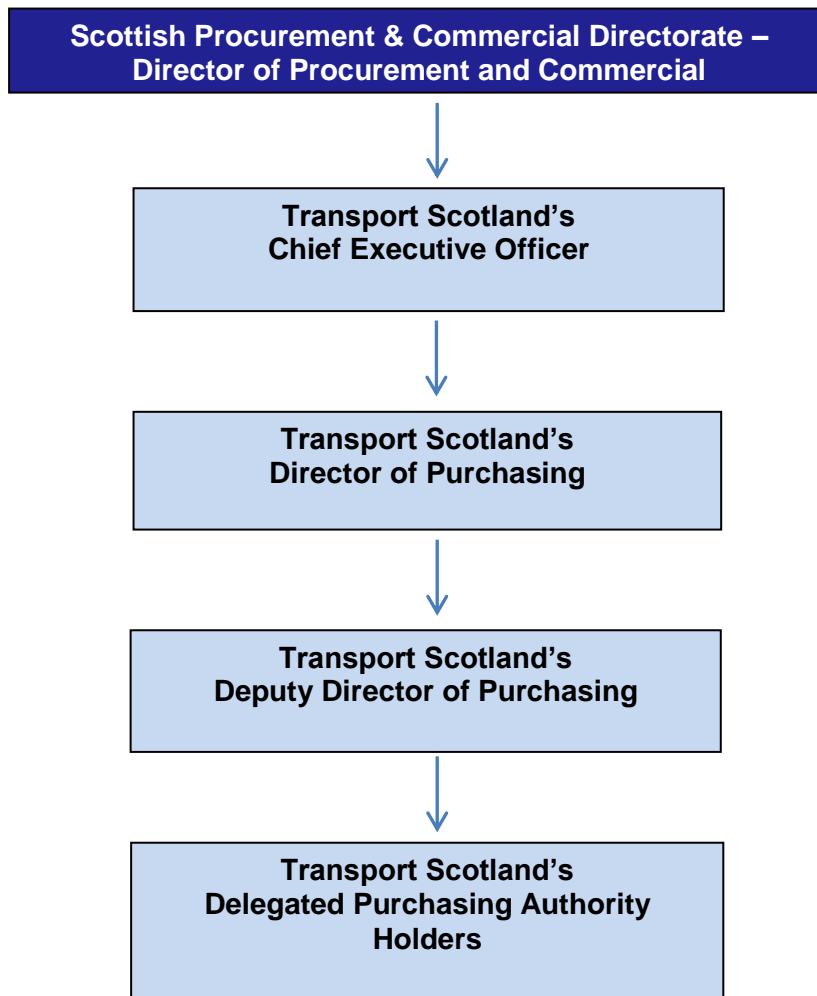


Figure 3.1

3.2. Transport Scotland’s procurement team

Transport Scotland’s Procurement Team, led by the Director and Deputy Director of Purchasing, play a central role in the following key areas of procurement activity in the organisation:

- procuring certain works, services and supplies with overall responsibility for managing the various stages of the procurement process from the development of the procurement strategy to contract award and implementation
- seeking collaborative procurement opportunities within Transport Scotland
- supporting continuous improvement in all areas of procurement practice, improving procurement capability and ensuring that procurement activity is conducted to the highest possible standard
- working with the wider Scottish public sector procurement community to develop, share and promote best practice

- preparing and communicating sources of guidance on procurement practice such as Transport Scotland's Procurement Advice Notes
- developing and maintaining close links with a wide range of internal and external stakeholders through liaison on matters of common interest, including engaging with suppliers to stimulate interest in Transport Scotland's contract opportunities with the aim of achieving healthy competition and best value for money
- promoting sustainability through Transport Scotland's procurements
- supporting delivery of Transport Scotland's infrastructure programmes and the procurement aspects of other activities and targets set out in the agency's Business Plan
- providing advice and support to delegated purchasing officers across Transport Scotland's Directorates
- participating in collaborative public sector procurement through involvement with the Central Government Procurement Collaboration and Cluster Groups
- establishing and maintaining internal procurement governance processes and procedures and records and overseeing compliance with Scottish Government procurement policy
- identifying procurement training needs and organising training for delegated purchasing officers and those actively involved in procurement activities to ensure their knowledge and skills are fit for purpose

4. Procurement capability and training

4.1. Procurement capability

Transport Scotland employs a wide variety of professionals with specialisms ranging over a number of disciplines including engineering, law, accountancy and other technical disciplines. The skills of staff cover numerous competencies such as planning, project management, procurement, stakeholder engagement, budgeting, policy making and staff management. Transport Scotland is therefore well positioned to achieve the highest standards of innovation, professionalism and teamwork across all areas of the business.

Transport Scotland was assessed under the Scottish Government's Procurement and Commercial Improvement Programme in February 2019; a programme designed to evaluate the performance of public sector organisations' procurement activity. This independent assessment confirmed that Transport Scotland's procurement capability was in the highest performance band, with a score of 92%.

In 2017, Transport Scotland won the Go Infrastructure Project of the Year at the Go Awards Scotland and again at the Go Awards UK 2018. In addition, at the Go Awards UK 2018 it received a Highly Commended recognition under the Go Procurement Innovation/Initiative category and was shortlisted for the final Go Award UK 2018 Go Excellence award. More recently, Transport Scotland also won the Go Infrastructure Award for the Queensferry Crossing project at the 2019 Go Awards UK.

4.2. Procurement training

Procurement training is key to ensuring that staff involved in this activity have the knowledge, skills and behaviours to achieve the desired outcomes. It is essential that our capability and skills are fit-for-purpose in both the short and long term. Transport Scotland fully supports continuous professional development for staff to ensure it is well positioned to achieve the highest standards of innovation, professionalism and teamwork across all areas of the business.

Transport Scotland operates a graduate recruitment and training program as well as offering opportunities for modern apprenticeships. The two modern apprentices employed by Transport Scotland in administrative procurement roles in 2016 were both successful in achieving permanent posts in the team.

Our Procurement Training Strategy plays a key role in supporting our overall procurement aims to deliver value for money and sustainable procurement.

The Training Strategy is intended to identify the actions and resources needed to achieve this vision. These actions are set out in an annual Procurement Training Programme, taking cognisance of both changes in legislation and identified skills gaps.

An important aspect of the Training Strategy is the alignment of training and development opportunities with the Scottish Government's Skills for Success and the SPCD [Procurement Competency Framework](#)

DPA is only granted to staff that have demonstrated the necessary skills and have undertaken appropriate training in procurement. In addition, those with DPA must complete SPCD's [Procurement Competency Framework](#) and consider the use of Scottish Government's Procurement Training Frameworks when preparing their Personal Learning Plan. A list of DPA holders is held in a central location and reviewed biannually, with the next review due in January 2020.

5. Transport Scotland's procurement policy and procedures

5.1. Introduction

The following policies are embedded into existing procurement processes in Transport Scotland and are intended to assist decision making, management and administrative functions. Monitoring, review and reporting of the effectiveness of a policy is a key part of ensuring continuous improvement.

5.2. National policies

Transport Scotland staff involved in procurement are required to take account of the following national policies, legislation and tools:

- the overall legal framework for public procurement applicable across EU member states (the EU Procurement Directive on Public Procurement 2014) as transposed into domestic regulations, principally the Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016 which give effect to the provisions of the Procurement Reform (Scotland) Act 2014
- Published Statutory Guidance to support the implementation of the Procurement Reform (Scotland) Act 2014
- The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and subsequent duties under the Public Contracts (Scotland) Regulations 2015
- Scottish Procurement Policy Notes (SPPNs), published by Scottish procurement and providing advice on current policy matters
- The Scottish Model of Procurement
- Scottish Procurement's Procurement Journey
- The Scottish Public Finance Manual
- The Construction Procurement Manual (currently being updated)
- The Sustainable Procurement Duty tools developed by Scottish Government to assist public sector bodies to identify and address how they can optimise economic, social and environmental outcomes of procurement activity and to comply with the sustainable procurement duty
- Scottish Government's Gifts and Hospitality standard of conduct guidance
- General Data Protection Regulations 2018 (GDPR)

- The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015

5.3. Local policies and procedures

In addition, Transport Scotland staff are required to take account of local policies and procedures when undertaking any procurement activity, including:

- the requirement for staff to have an appropriate level of DPA
- Transport Scotland's Investment Decision Making procedures
- Transport Scotland's Risk Management Framework
- Transport Scotland's requirement that procurement activity is underpinned by an approved Procurement Strategy
- the prompt payment of invoices for works, goods and services in line with the Scottish Government's 10 day payment policy, including the adoption of this approach in the procurement of contracts by the inclusion of clauses to ensure the same approach is adopted throughout the supply chain
- the requirement for suppliers to comply with relevant environmental and health and safety legislation, such as the Construction (Design and Management) Regulations 2015
- Transport Scotland's Fraud Response Plan

5.4. Compliance with Requirements of Section 15(5) of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance

Section 15(5) of the [Procurement Reform \(Scotland\) Act 2014](#) and the published [Statutory Guidance](#), sets out what should be included in Transport Scotland's Procurement Strategy. This section can be broadly divided into two parts, firstly how specific tasks will be achieved as set out in section 15(5) (a) and (d) and secondly what policies and approaches are in place as set out in section 15(5) (b) and (c).

5.4.1. In terms of the requirements of section 15(5) (a) and (d), Transport Scotland is required to set out it how intends to ensure that:

- (i) its regulated procurements will contribute to the carrying out its functions and achievement of its purposes (section 15(5)(a)(i) of the Act)
- (ii) its regulated procurements will deliver value for money (section 15(5)(a)(ii) of the Act)
- (iii) its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination (section 15(5)(a)(iii) of the Act)

- (iv) its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner (section 15(5)(a)(iii) of the Act)
- (v) its regulated procurements will be carried out in compliance with the sustainable procurement duty (section 15(5)(a)(iii) of the Act)
- (vi) so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to payment is presented:
 - payments due by the authority to a contractor
 - payments due by a contractor to a sub-contractor
 - payments due by a sub-contractor to a sub-contractor (section 15(5) (d) of the Act)

5.4.1.1. The following statements demonstrate how Transport Scotland will ensure the delivery of the above requirements.

(i) Regulated procurements will contribute to carrying out Transport Scotland's functions and achieving its purposes

- Transport Scotland's Procurement Strategy and its commitments are aligned to the Transport Scotland Corporate Plan and progress on delivery will be reported on a quarterly basis to Senior Management
- robust investment decision making and procurement approval process are in place to provide assurance that the decision to invest and place a contract directly supports a corporate delivery commitment and that the selection of an appropriate procurement route has been made in accordance with policy and legislation
- where appropriate, Transport Scotland will consider the use of benefits realisation techniques to review the delivery of outcomes for contract against those contained within the original business case and against the Government's strategic objectives
- effective contract and supplier management will ensure delivery in accordance with the contract terms
- stakeholder engagement will be undertaken during project development and procurement preparation
- corporate commitments will be communicated to all Transport Scotland staff

(ii) Regulated procurements will deliver value for money

- robust investment decision making and procurement approval processes are in place to provide justification for the requirement and assurance that value for money will be obtained
- early market engagement is undertaken as appropriate to enable areas of savings, added value and innovation to be identified
- collaborative opportunities are identified during preparation of a project procurement strategy
- effective contract and supplier management procedures are in place to enable delivery in accordance with the contract terms
- Transport Scotland's lessons learned process allows identification of areas for improvement
- effective stakeholder engagement will be undertaken, both internally and externally, to drive innovation and ensure that purchase requirements are fully understood
- analysis of previous procurement activity and contract performance data will be undertaken to identify potential areas of savings and added value
- supplier feedback system enables performance feedback to suppliers on a biannual basis

(iii) Regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination

- a procurement strategy approval process is in place to provide assurance that the selection of an appropriate procurement route has been made in accordance with policy and legislation
- early market engagement is undertaken and where appropriate industry days are hosted
- The Public Contracts Scotland portal is used for the publication of contracts and primary contractor's sub-contract opportunities where appropriate
- an appropriate Lot structure is considered and developed for our Frameworks
- Transport Scotland's Contracts Register is published on Public Contracts Scotland
- debriefing sessions are provided for unsuccessful Tenderers

- proportionate requirements are specified for insurance and financial requirements at tender stage

(iv) Regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner

- a procurement strategy approval process is in place to provide assurance that the selection of an appropriate procurement route has been made in accordance with policy and legislation
- The Public Contracts Scotland portal is used for publication of contract and main contractors' sub-contract opportunities where appropriate
- the use of Meet the Buyer events and industry days

(v) Regulated procurements will be carried out in compliance with the sustainable procurement duty

- The Scottish Government's recommended [sustainability tools](#) are utilised to identify and address how we can optimise economic, social and environmental outcomes of procurement activity. These tools comprise: the Scottish Public Procurement Prioritisation Tool, the Sustainability Test, the Life Cycle Impact Mapping and the Scottish Flexible Framework
- project procurement strategies require to be approved prior to procurement commencing. These take account of sustainable procurement practices and the output of the sustainability tools
- sustainable procurement principles and requirements are embedded in project and contract documentation, processes and procedures
- Transport Scotland engages with stakeholders to advance our scientific and engineering knowledge and where practical enhance the natural and physical environment
- Transport Scotland provides sustainable procurement training to staff throughout the organisation

(vi) Payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented:

- (a) payments due by the authority to a contractor
- (b) payments due by a contractor to a sub-contractor
- Transport Scotland is committed to the prompt payment of invoices for works, goods and services and aims to settle all undisputed invoices within contract terms and also in line with the Scottish Government's 10 day payment policy.

In 2017-18 Transport Scotland settled an average of 97% of invoices within this timescale

- Prompt payment clauses requiring a 30 day payment term are embedded within our contracts and these are required to be replicated throughout the supply chain
- [Project Bank Accounts](#) (PBAs) will be in place for all works contracts of value equal to or greater than £5 million. This threshold was reduced from £10 million in February 2019 following consultation with Scottish Government.

5.4.2. In terms of section 15(5) (b) and (c) of the [Procurement Reform \(Scotland\) Act 2014](#) Transport Scotland is required to set out the Agency's general policy on:

- (i) the use of community benefit requirements (section 15(5)(b)(i) of the Act)
- (ii) consulting and engaging with those affected by its procurements (section 15(5)(b)(ii) of the Act)
- (iii) the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements (section 15(5)(b)(iii) of the Act)
- (iv) promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c. 37) and any provision made under that Act (section 15(5)(b)(iv) of the Act)
- (v) the procurement of fairly and ethically traded goods and services (section 15(5)(b)(v) of the Act)
- (vi) how it intends its approach to regulated procurements involving the provision of food to:
 - (a) improve the health, wellbeing and education of communities in the authority's area
 - (b) promote the highest standards of animal welfare (section 15(5) (c) of the Act)

5.4.2.1. The following statements demonstrate how Transport Scotland will ensure the delivery of the above requirements.

(i) General policy on the use of community benefit requirements

- Transport Scotland requires that the potential for Community Benefits to be delivered is considered at procurement preparation stage for regulated procurements, prior to approval of the project procurement strategy. When developing any contract specification, consideration must be given to the suitability of including community benefit clauses, such as the requirement to

provide targeted recruitment and training. Where appropriate the delivery of community benefits will be a contractual commitment.

- the delivery of community benefits through Transport Scotland contracts continues to provide opportunities for targeted training and recruitment, including training and jobs for long-term unemployed people, development of the skills and qualifications of the existing workforce, apprenticeships and job start positions and professional graduate training opportunities.

This policy will be monitored and reported on by:

- (a) undertaking contract management to ensure delivery in accordance with contractual requirements
- (b) undertaking data collection to identify and analyse trends. The data collected will be used to inform regular lessons learned reviews and identify any improvement opportunities
- (c) undertaking procurement strategy compliance checks to provide assurance that the requirements identified at development stage were carried through to the contract
- (d) summarising the outcome of the monitoring in Transport Scotland's Annual Procurement Report, in compliance with section 21 of the [Procurement Reform \(Scotland\) Act 2014](#)

(ii) General policy on consulting and engaging with those affected by its procurements

- consultation and engagement with key stakeholders affected by our procurement activity is embedded in our processes, both during project development and any subsequent procurement activity. This consultation can include public engagement, consultations with other statutory bodies (such as SEPA and SNH), consultation with suppliers at open days or market engagement events and meetings with specialist groups, such as the Civil Engineering Contractors Association and the Association for Consultancy and Engineering. The appropriate level of consultation and engagement for projects will be identified at the procurement development stage and feedback from the consultation will be reported in the procurement strategy. This provides assurance that an appropriate level of consultation has been undertaken to inform the decision making process.
- information about the progress of major projects is supported by an appropriate approach to communication. This may include the use of the Agency's website, specific project websites and press releases to provide progress reports and other information of interest to the public about major projects throughout their lifecycle. Direct engagement with local communities is undertaken by using drop-in events, evening meetings and leaflet drops as appropriate during the project's lifecycle.

- Transport Scotland advertises tender opportunities for lower level and those regulated under the Scottish Reform Act (2014) through the Public Contracts Scotland portal. Procurements valued at over EU thresholds are advertised on Public Contracts Scotland and the Official Journal of the European Union (OJEU).

This policy will be monitored and reported on by:

- (a) undertaking lessons learned reviews to identify any issues arising from the consultation
- (b) undertaking compliance checks to review the level of consultation undertaken against that stated in the procurement strategy

(iii) General policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

- Transport Scotland understands social issues such as equality, diversity and fair and ethical trading need to be considered, alongside economic issues.
- Transport Scotland became an Accredited Living Wage employer in 2016 and considers payment of the Living Wage to be a significant indicator of an employer's (supplier) commitment to its workforce. Transport Scotland is committed to promoting the payment of the Living Wage through our procurement activities in line with the Statutory Guidance published in October 2015. Transport Scotland encourages the same proactive approach from its contractors and sub-contractors by utilising scored and non-scored fair work practice award criteria within our Invitations to Tender in relevant contracts.
- in line with the [Statutory Guidance under the Procurement Reform \(Scotland\) Act 2014](#), Transport Scotland gives consideration to relevant and proportionate questions on fair work practices as part of the competition process for all regulated procurements. Consideration of the need to include a scored question on a supplier's approach to fair employment, including the Living Wage, are considered at procurement strategy stage depending on the nature of the procurement.

This policy will be monitored and reported on by:

- (a) undertaking contract management to ensure delivery in accordance with contractual requirements
- (b) undertaking data collection to identify and analyse trends. The data collected will be used to inform regular lessons learned reviews and identify any improvement opportunities

- (c) undertaking procurement strategy compliance checks to provide assurance that the requirements identified at development stage were carried through to the contract
- (d) summarising the outcome of the monitoring in Transport Scotland's Annual Procurement Report, in compliance with section 21 of the [Procurement Reform \(Scotland\) Act 2014](#)

(iv) General policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c. 37) and any provision made under that Act

- health and safety risks are taken into consideration at the design stage of a project as well as during preparation for procurement. Factors pertaining to specific health and safety requirements are recorded in project procurement strategies on a case by case basis. These will vary depending on the nature of the works, services or goods being purchased. The supplier will be required to provide information in its tender to demonstrate compliance with the necessary legislation.

This policy will be monitored and reported on by:

- (a) undertaking contract management to ensure delivery in accordance with contractual requirements
- (b) undertaking data collection to identify and analyse trends. The data collected will be used to inform regular lessons learned reviews and identify any improvement opportunities
- (c) undertaking procurement strategy compliance checks to provide assurance that the requirements identified at development stage were carried through to the contract
- (d) summarising the outcome of the monitoring in Transport Scotland's Annual Procurement Report, in compliance with section 21 of the [Procurement Reform \(Scotland\) Act 2014](#)

(v) General policy on the procurement of fairly and ethically traded goods and services

- consideration of specific requirements and availability in relation to fairly and ethically traded goods and services will be considered at project development stage and recorded in the project Procurement Strategy for approval prior to commencement. The use of the ESPD for regulated procurements allows consideration of whether a potential supplier has been convicted of certain offences and/or committed any acts of professional misconduct and allows suitability to be assessed.

This policy will be monitored and reported on by:

- (a) undertaking contract management to ensure delivery in accordance with contractual requirements
- (b) undertaking data collection to identify and analyse trends. The data collected will be used to inform regular lessons learned reviews and identify any improvement opportunities
- (c) undertaking procurement strategy compliance checks to provide assurance that the requirements identified at development stage were carried through to the contract
- (d) summarising the outcome of the monitoring in Transport Scotland's Annual Procurement Report, in compliance with section 21 of the [Procurement Reform \(Scotland\) Act 2014](#)

(vi) General policy on how it intends its approach to regulated procurements involving the provision of food to:

- improve the health, wellbeing and education of communities in the authority's area
- promote the highest standards of animal welfare

This is not applicable to Transport Scotland as the Agency has no requirement to purchase food using regulated procurements.

6. Transport Scotland's procurement commitments (2017-2020)

6.1. Corporate procurement commitments

Transport Scotland aims to meet its delivery priorities by striving for best value, and promoting responsible procurement and effective contract management. This will be achieved by the continuous improvement of procurement activity, having regard for economy, efficiency, effectiveness, openness, sustainability and transparency and our legal obligations. Transport Scotland will continue to seek opportunities to promote best practice and to work creatively and collaboratively with Scottish Government Procurement and Commercial Directorate and other organisations where appropriate.

Transport Scotland's corporate procurement commitments for the period 2017-2020 support the Agency's overall delivery commitments in respect of the Scottish Government's Purpose. The commitments take cognisance of requirements deriving from recent procurement legislation including the [Procurement Reform \(Scotland\) Act 2014](#), the [Procurement \(Scotland\) Regulations 2016](#), [2014 EU Procurement Directives](#), the [Public Contracts \(Scotland\) Regulations 2015](#) and associated published [Statutory Guidance](#). These commitments are listed below and include a comment on delivery actions and proposed monitoring, review and reporting.

Commitment 1

Undertake Transport Scotland procurements in a sustainable manner.

Delivery sub-actions:

- 1.1. Ensure compliance with the sustainable procurement duty, such that Transport Scotland contracts are procured and managed in an economic, social and environmentally friendly manner, including the consideration of means of transport of materials.
- 1.2. Fully utilise the Scottish Government's suite of sustainability tools for all regulated procurements.
- 1.3. Deliver community benefits through Transport Scotland's procurement activity and seek opportunities to enhance the scope of these benefits.
- 1.4. Ensure that opportunities for SMEs to tender for Transport Scotland contracts and to tender for sub-contracts through main suppliers are maximised.
- 1.5. Promote, and seek to increase opportunities for supported businesses to tender for Transport Scotland contracts and to tender for sub-contracts resulting from our main contracts.
- 1.6. Promote, and seek to increase opportunities for the third sector to tender for Transport Scotland contracts and to tender for sub-contracts resulting from our main contracts.

- 1.7. Ensure that Transport Scotland's procurement activity promotes fair work practices, including the use of the living wage and the modern slavery act and the procurement of fair and ethically traded goods and services.
- 1.8. Review and update the procurement page of the Transport Scotland website on a quarterly basis to ensure key information is visible to suppliers.

Commitment 2

Ensure Transport Scotland procurements comply with relevant EU and national legislation and internal policy and governance procedures.

Delivery sub-actions:

- 1.1. Utilise and develop model contract documents for works, goods and services and ensure that documents are compliant with relevant legislation and policy.
- 1.2. Provide consistent procurement advice and support to Transport Scotland staff who are undertaking procurement activity and ensure that all such activity is compliant with current European and Scottish procurement legislation.
- 1.3. Deliver a programme of procurement training to Transport Scotland staff to ensure that procurement activity remains compliant with current European and Scottish and procurement legislation.
- 1.4. Review and update Transport Scotland's procurement policy and governance processes and procedures to ensure compliance with current European and Scottish procurement legislation.
- 1.5. Implement Project Bank Accounts on all Transport Scotland construction contracts of a value of £5 million and above.
- 1.6. Review and update the procurement section of the Transport Scotland intranet to ensure that it remains an effective means of communicating policy, systems and guidance to Transport Scotland staff.
- 1.7. Utilise data gathered on the contracts database to assist with monitoring and ensuring compliance.

Commitment 3

Add value through Transport Scotland procurements and promote collaborative procurement opportunities where appropriate to ensure Transport Scotland contracts represent value for money.

Delivery sub-actions:

- 1.1. Utilise Scottish Government and UK wide collaborative contracts to secure a range of benefits and savings, where feasible.
- 1.2. Review the performance of Transport Scotland frameworks prior to any re-let.
- 1.3. Continue to provide feedback to suppliers on a biannual basis and consider implementation of an electronic system to support this activity.
- 1.4. Continue to undertake early market engagement, where appropriate.
- 1.5. Ensure sub-contract opportunities continue to be advertised on Public Contracts Scotland, where appropriate.
- 1.6. Engage with suppliers to identify areas of savings, added value and innovation.
- 1.7. Improve performance by keeping Transport Scotland's senior management apprised of supplier performance biannually.
- 1.8. Use the data gathering function in the contracts database to enable more detailed market analysis and decision making.
- 1.9. Ensure that staff undertake fraud training and are aware of the Transport Scotland Fraud Policy and Response Plan.

Commitment 4

Maintain a high standard of procurement capability across Transport Scotland through the implementation of best practice and continuous improvement.

Delivery sub-actions:

- 1.1. Develop the central repository for procurement lessons learned feedback and review the process for analysis and change implementation.
- 1.2. Review and update the Transport Scotland procurement strategy template, the Transport Scotland procurement guide toolkit and the procurement compliance check procedure annually to take account of any legislative

changes, internal policy changes and ensure consistency between documents.

- 1.3. Engage with Scottish Government and wider public sector led initiatives, such as e-procurement and consider implementation within Transport Scotland.
- 1.4. Prepare for the next PCIP assessment.
- 1.5. Engage with internal and external stakeholders as appropriate to facilitate sharing of best practice.

6.2. Review, monitor and reporting

Interim compliance checks at key stages of Transport Scotland's regulated procurements are undertaken to identify any issues regarding compliance with policy and legislation requirements. We will review our existing procurement compliance check process for all our regulated procurements on an ongoing basis and enact improvement actions where necessary.

Data gathering relating to regulated procurements will be carried out to identify, for example, community benefits resulting from procurement activity, the volume, value and nature of contracts and sub-contracts with SMEs, contracts placed with supported businesses and the third sector. This data will be utilised to identify trends and areas of policy requiring intervention and will be included in our Annual Procurement Report.

7. Annual reporting

The Procurement Reform (Scotland) Act 2014 requires Transport Scotland to prepare an annual procurement report on our regulated procurement activity. Our first report was published in November 2018 and covers the period 01 January 2017 to 31 March 2018. Future reports will be prepared and published annually.

In accordance with Section 18(2) of the Act, the Annual Procurement Report includes:

- a summary of the regulated procurements that have been completed during the year covered by the report
- a review of whether those procurements complied with the Transport Scotland's Procurement Strategy
- the extent to which any regulated procurements did not comply, and a statement detailing how Transport Scotland will ensure that future regulated procurements do comply
- a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report
- a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the report period
- a summary of regulated procurements expected to commence in the next two financial years
- reporting on other matters contained in this procurement strategy

8. Contact details

The owner of this procurement strategy, on behalf of Transport Scotland is Michelle Rennie, Director of Purchasing.

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