



NATURESCOT

PROCUREMENT STRATEGY

2020 Onwards

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EXECUTIVE SUMMARY

This document has been created by Scottish Natural Heritage, a Non-Departmental Public Body established by the Natural Heritage (Scotland) Act 1991, acting under its operating name, NatureScot. Any reference in this document to "NatureScot" is a reference to the body known as Scottish Natural Heritage, as established by the Natural Heritage (Scotland) Act 1991

NatureScot both advises the Scottish Government and helps it to achieve its objectives. Our role and remit is defined by legislation and Scottish Government policy.

We work in partnership, by cooperation, negotiation and consensus, with all relevant interests in Scotland, including public, private and voluntary organisations and individuals. We operate in an open and accountable manner in all our activities.

Purpose

Through NatureScot's Corporate Plan – Connecting People and Nature – 2018-22 we will support the purpose of the Scottish Government 'to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth'.

Our Vision

By 2030, Scotland is recognised as a world leader in looking after and improving nature. Everyone is involved; everyone benefits. Scotland is greener, healthier and more prosperous¹.

Our role is to promote, care for and improve Scotland's nature.

To focus our work, we have identified four outcomes that focus on people, places, investment, nature and transforming the way we work.

NatureScot's Outcomes

NatureScot's Corporate Plan - Connecting People and Nature – 2018-22 is built around our four outcomes, these are:

- More people across Scotland are enjoying and benefiting from nature
- The health and resilience of Scotland's nature is improved
- There is more investment in Scotland's natural capital and its management to improve prosperity and wellbeing
- We have transformed how we work

Our detailed commitments are set out in our annual business plans which are available on our website

<https://www.nature.scot/connecting-people-and-nature-corporate-plan-2018-2022>

¹ Referenced from NatureScot's Connecting People and Nature Corporate Plan – 2018-22

INTRODUCTION

NatureScot's Procurement Strategy

The Procurement Strategy is NatureScot's road map towards achieving our organisational objectives and of government commitments to efficient and effective procurement and contract management. To ensure the Procurement Strategy remains fit for purpose it will be reviewed on an annual basis. The Procurement Strategy is influenced by:

- The Procurement (Scotland) Reform Act 2014
- The EU Procurement Directives
- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016

Why do we need a Procurement Strategy?

To deliver our Corporate Plan Outcomes, what government asks of us and to achieve the highest standards of professional procurement which directly contributes to the sustainable economic growth of Scotland, NatureScot needs:

- A clear approach to ensure that all of our goods, services and works are procured in order to increase the efficiency of public spending and
- Facilitate the participation of SMEs, third sector bodies and supported businesses

Procurement Services will continue to provide a service that ensures value for money and which delivers financial savings without undermining the quality of the goods, services and works being procured.

The Procurement Strategy is part of NatureScot's Corporate Governance activity which provides a framework for our delivery of Procurement Services as part of our wider Finance, Planning & Performance work.

The Procurement Strategy also helps deliver the NatureScot Low Carbon Vision through embedding low-carbon, sustainable procurement criteria. It also frames our delivery of the Sustainable Procurement duty as described in the Procurement Reform (Scotland) Act 2014.

Procurement Vision

In supporting NatureScot to meet its corporate outcomes and commitments the NatureScot procurement vision is to demonstrate best value, continuous improvement, encourage innovation, collaborative working, drive sustainable procurement including reducing inequality, through what we do.

We will achieve this by working with our internal and external stakeholders and other public bodies to ensure our procurement processes are accessible to those interested in working with NatureScot and are run in a fair, open and transparent manner.

The mission of the Procurement Services team is to be recognised throughout NatureScot as the first point of reference for professional advice, guidance and support in the procurement of goods, services and works.

Delivery of the Procurement Strategy

To succeed in the delivery of the Procurement Strategy, the Procurement Services team rely on the support of the senior management to help them deliver on the key outcomes and commitments by demonstrating their support to all levels of the organisation.

NatureScot's Procurement Strategy is governed by 10 key elements which will inform our approach going forward. Our aims are contained within the key headings outlined below and will be used to support the implementation of the strategy.

The 10 Key Elements are:

- Compliance – The Legal Framework
- Competition
- Value for Money and Efficiency
- Community Benefits
- Stakeholder Engagement
- Fair Work Practices including the Living Wage
- Health and Safety
- Ethical Procurement
- Payment to Contractors and Sub-Contractors

COMPLIANCE – THE LEGAL FRAMEWORK

Our aim is to ensure that all NatureScot purchases are made in a transparent, open and fair manner.

Public procurement is governed by a legal framework which includes the following fundamental principles deriving from:

- The Treaty on the Functioning of the European Union (TFEU)
- The European Union (EU) Directives
- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Reform Act 2014
- The Procurement (Scotland) Regulations 2016

The Procurement (Scotland) Reform 2014 Act (the Act) provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice².

The fundamental principles flowing from the Treaty and Act include:

- **Transparency** – contract procedures must be transparent and contract opportunities should generally be publicised
- **Equal treatment and non-discrimination** – potential suppliers must be treated equally
- **Proportionality** – procurement procedures and decisions must be proportionate
- **Mutual recognition** – giving equal validity to qualifications and standards from other Member States, where appropriate

² Referenced from The Scottish Government Guidance under the Procurement Reform (Scotland) Act 2014

There is a duty on procurers in NatureScot to apply the key principles of public procurement. These require the delivery of value for money, appropriate quality and service to meet business needs, and appropriate governance.

2. COMPETITION

Our aim is when procuring goods, services and works that they are always acquired by effective competition. This includes adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Awarding contracts on the basis of value for money following competition, contributes to the competitiveness of suppliers and to the visible application of the fundamental procurement principles.

Competition avoids any suggestion of favouritism and the encouragement of monopoly; it also helps to promote efficiency, economy and innovation. The form of competition should be appropriate to the value and complexity of the goods, services or works acquired.

To facilitate compliance and competition, the public sector in Scotland has a national advertising portal called Public Contracts Scotland, not only where contract opportunities of all levels can be publicised, but also for public sector bodies to manage tender process electronically.

The Procurement Team will, on an on-going basis, encourage and support NatureScot staff to make ever better use of the portal to manage their contract opportunities, further improving the sustainability of the tendering process.

3. VALUE FOR MONEY AND EFFICIENCY

Our aim when procuring goods, services and works is to obtain value for money in terms of both cost and quality.

The Scottish Model of Procurement³ defines value for money in Scottish Procurement as not just being about cost and quality, but about the best balance of cost, quality and sustainability.

Value for money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement(s). Depending on the nature of the contract, whole-life cost may include implementation costs, on-going operating costs and end-of-life disposal.

NatureScot will award contracts on the basis of the Most Economically Advantageous Tender (MEAT). This allows purchasers to balance the quality of the goods, services or works they are procuring against price and to frame their Statement of Requirements (SoR) in a way which focuses on the outcome and encourages innovation, rather than defining a particular solution.

Where an item is chosen that does not have the lowest whole life costs, then the additional 'value added' benefits must be clear and justifiable.

NatureScot will always strive to buy efficiently and wisely, obtaining value for money by ethical means and wherever possible by competitive tender or other established procedure, to ensure compliance with public sector procurement rules and regulations.

³ <http://www.gov.scot/Topics/Government/Procurement/about/spd-aims>

4. SUSTAINABLE PROCUREMENT

Our aim when procuring goods, services and works is to take into consideration the requirements of the sustainable procurement duty. The duty requires that before a contracting authority buys anything, it must think about:

- How it can improve the social, environmental and economic wellbeing of the area it operates in
- Consider how the procurement process will facilitate the involvement of SMEs, third sector bodies and supported businesses
- How public procurement can be used to promote innovation

Our Sustainable Procurement Statement of Policy & Practice states that “All goods and services bought by NatureScot must deliver best value, meeting all of our needs at an affordable price”. Sustainability comprises of environmental, social and economic aspects.

All suppliers of goods, services and works to NatureScot are expected to be able to demonstrate how they meet our relevant sustainability requirements, and where possible, variants have been indicated to encourage suppliers to provide options in their tenders that allow NatureScot to choose a supplier that adds sustainability value to the supply of the goods, services or works, all other aspects being equal.

Our Sustainable Procurement Statement goes on to say “Anyone in NatureScot who buy goods, services and works must:

- Ask suppliers to demonstrate how the goods and services they supply meet our standards
- That suppliers deliver goods that comply with relevant Government Buying Standards
- Ask suppliers to meet EU Green Procurement standards
- Refuse to buy goods or services that do not meet our standards
- Include sustainability criteria in all Statements of Requirements and all contracts issued by NatureScot, whether by the procurement services team or Project Managers

NatureScot acknowledges the requirements of the Act and will:

- NatureScot Sustainable Procurement Statement of Policy & Practice – update our sustainable procurement policy including how NatureScot will reduce the use of plastics and plastic products in our contracts for the provision of food
- Sustainability Test – complete a sustainability test for contracts, when proportionate and relevant to the goods, services or works being procured
- Supported Businesses - encourage the use of Supported Businesses in the procurement of goods and services, where appropriate to the type of contract being let and where value for money is delivered. NatureScot will also encourage bidders, through our tenders, to encourage their supply chains to sub-contract with supported businesses
- Flexible Framework – we will continue work through and deliver actions as identified in the flexible framework action plan

5. COMMUNITY BENEFITS

NatureScot will aim to consider whether or not to impose community benefit requirements before carrying out a tender exercise and where relevant and proportionate to a contract or framework agreement.

Community benefits are one of a range of social and environmental considerations that can be included in public contracts and frameworks where they are compatible with the fundamental principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition.

The Procurement (Scotland) Reform Act 2014 aims to achieve the maximum use of these requirements in public contracts and framework agreements.

For the purposes of the Act a threshold of £4 million or above has been set for when community benefit requirements must always be considered. Their use does not need to be limited to contracts and frameworks of this value and can be applied to lower value procurements where it is proportionate and relevant to the contract or framework being let.

Where there are clear requirements relating to community benefits in the Act, use of community benefit requirements may also demonstrate compliance with the sustainable procurement duty.

Factors for NatureScot to consider when deciding whether to include community benefit requirements, include opportunities:

- To deliver natural heritage community benefits. For example, NatureScot can deliver natural heritage benefits through the work we do as outlined in our Corporate Plan 2018 onward
- To minimise negative environmental impacts
- Support equality and diversity initiatives
- To make contracting and sub-contracting opportunities available to SMEs, the third sector and/or supported businesses
- To support supply-chain development activity
- To build capacity in community organisations
- To generate employment and training opportunities for priority groups
- For vocational training
- To up-skill the existing workforce
- To help educational support initiatives
- To work with schools, colleges and universities to offer work experience

Where NatureScot has an opportunity to deliver community benefits, NatureScot will in the contract notice / tender documentation relating to the exercise, include:

- A summary of the community benefit requirements it intends to include in the contract
- The appropriate community benefit clause(s)
- The appropriate community benefit evaluation criteria and weighting applicable to the procurement

6. STAKEHOLDER ENGAGEMENT

The aim of the Procurement team is to improve our engagement with all of our customers, both internal and external and by doing so improve the support and services we provide to our customers.

As appropriate and proportionate, NatureScot may consider consultation with parties who will potentially be affected by the outcome of a tender process including engaging with:

- The marketplace, for example, to identify the capacity of the contract or framework agreement
- External stakeholders - the end users of the service
- Community groups, schools etc.
- Internal stakeholders

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

- When NatureScot is tendering for a brand new requirement
- When a contract may affect a local community
- Where the contract may have a significant impact on end-users of the contract, we may seek views/comments etc. from customers
- Where the possibility of including natural heritage community benefits to a specific contract would benefit from better understanding the needs of a specific area / community

In engaging and consulting with the marketplace, NatureScot will:

- Consider the publication of Prior Information Notices (PIN) to make the market aware
- Consider prior engagement with potential bidders / those affected by the contract to take into consideration their views when creating tender documentation
- Engage with our suppliers not only to improve supplier relationships through more regular engagement with us, but also by giving our suppliers an opportunity to feedback back to us on their experience working with NatureScot

7. FAIR WORK PRACTICES INCLUDING THE LIVING WAGE

Our aim and commitment is to deliver a high quality public service and this includes our commitment to ensuring contracts, where relevant and proportionate, address Fair Work Practices, including the payment of the Living Wage.

Consideration of fair work practices will be particularly relevant where the quality of the service being delivered or works being performed is directly affected by the quality of the workforce engaged in the contract. For example, fair and equal pay, including Living Wage, is one of the clearest ways in which a bidder can demonstrate that it adopts fair work practices.

NatureScot recognises that quality of delivery is critically dependent on a workforce that is fairly rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is effectively engaged in decision making.

Consideration of a bidder's approach to fair work practices must be a proportionate one, based on the nature, scope, size and place of the performance of the contract.

NatureScot will consider each bidder's overall approach to fair work practices and all bids will be treated equally. This will include consideration of all relevant evidence, including (but not limited to) recruitment, remuneration, terms of engagement, skills utilisation and job support and worker representation. It is acknowledged that a bidder's approach to fair work practices may vary depending on the bidder's size and the scope of the contract.

Where appropriate to the nature of the contract being let, NatureScot will include a statement in our tender exercises, incorporating appropriate evaluation criteria and weighting, encouraging bidders to take into consideration Fair Work Practices, including payment of the Living Wage.

8. HEALTH AND SAFETY

Our aim when tendering and letting contracts is that all our prospective contractors must be competent to undertake the works as described in the Statement of Requirements (SoR) and have suitable and sufficient health & safety policies and procedures in place.

As part of any client/contractor relationship, both parties have duties under health & safety legislation. Similarly, if a contractor employs sub-contractors to carry out some or all of the work contained within the specification given for the contract, all parties have health and safety responsibilities. The extent of the responsibilities of each party will depend on the individual circumstances of the project.

Health & safety policies and procedures must address the risks created by and associated with the work and identify the means whereby contractors and sub-contractors will ensure their staff have sufficient skills, knowledge and experience to manage and carry out the work safely.

NatureScot include in all of our tender exercises a Health and Safety policy statement in which NatureScot requires bidders to submit the following evidence:

- A copy of their Health and Safety Policy Statement
- A statement showing their 'Safe Method of Operation' and any generic Risk Assessments for the type of work they intend carrying out (if applicable).
- A copy of either their Public Liability and / or Professional Indemnity Insurance certificate and, where appropriate, Employer's Liability Insurance certificates, or other evidence of insurance cover (e.g. a broker's letter).
- A statement of their procedures for appraising the competence of any sub-contractor that they intend to use on the project.

In addition to their own statutory responsibilities under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013, NatureScot requires contractors to report all accidents, dangerous occurrences and near-misses that occur whilst they are working for us, to the Project Manager.

9. ETHICAL PROCUREMENT

Our aim in all our dealings with suppliers and potential suppliers is to preserve the highest standards of honesty, integrity, impartiality and objectivity.

The Scottish procurement regulations (Public Contracts (Scotland) 2015 Regulations) provide a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. There are a number of provisions in the regulations with a bearing on ethics and human rights, these are:

- The Sustainable Procurement Duty – please see 4 – Sustainable Procurement for further information;
- Mandatory Exclusion – Breach of Part 1 of the Human Trafficking and Exploitation (Scotland) Act 2015 is a mandatory exclusion for both regulated and EU procurements

- Discretionary Exclusion - Violation of applicable obligations in the fields of environmental, social and labour laws

NatureScot is committed to tackling inequality in Scotland and in doing so we will comply with all relevant ethics, human rights and equality legislation. Where a contractor is carrying out a public function on behalf of NatureScot, the legal liability for the duties in relation to that function remains with NatureScot, as it is we who contract out the function.

Equality and Diversity requirements are incorporated into NatureScot's standard Terms and Conditions of Contract and embedded in our Fair Work Practices statement, to ensure that full consideration is given to the needs of, and the likely impact on, all users and others who will be affected by the contract.

NatureScot's code of professional ethics when procuring goods, services and works are in line with the following Acts and guiding principles:

- The Chartered Institute of Purchasing and Supply (CIPS) Code of Professional Ethics⁴
- Human Trafficking and Exploitation (Scotland) Act 2015⁵
- CIPS Ethical and Sustainable Procurement⁶
- CIPS Protecting Human Rights in the supply chain⁷
- United Nations Human Rights Guiding Principles on Business and Human Rights⁸

To further embed ethical practices NatureScot will, when evaluating bids:

- Take in to consideration lifecycle costing
- Include conditions relating to performance of a contract to ensure economic operators comply with environmental, social and employment law
- Assess assurances of fair and ethical practices in the supply chain
- Ensure that goods, services or works are given the appropriate label certification that meet specific environmental, social or other characteristics where these are directly relevant
- To maintain transparency, to promote competition and innovation and not discriminate against an economic operator NatureScot will accept all labels of equivalent standards as well as accept bids that can demonstrate it meets the specified criteria without certification

10. PAYMENT TO CONTRACTORS AND SUB-CONTRACTORS

Our aim and policy is to ensure undisputed invoices are paid no later than 10 days after the invoice relating to the payment is presented as:

- Payments due by NatureScot to a contractor

⁴ <https://www.cips.org/en-GB/who-we-are/governance/cips-code-of-conduct/>

⁵ https://www.legislation.gov.uk/asp/2015/12/pdfs/asp_20150012_en.pdf

⁶ https://www.cips.org/Documents/About%20CIPS/CIPS_Ethics_Guide_WEB.pdf

⁷ <https://static.uk-plc.net/library/london-universities-purchasing-consortium/documents/knowledge-lupc---protecting-human-rights-in-the-supply-chain.pdf>

⁸ https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Furthermore NatureScot will, so far as reasonably practicable, ensure undisputed invoices are paid no later than 30 days after the invoice relating to the payment is presented as:

- Payments due by a contractor to a sub-contractor
- Payments due by a sub-contractor to a sub-contractor

NatureScot have included in their standard terms and conditions the following clauses in relation to payments of contractors and sub-contractors:

- Unless otherwise stated in the Contract, payment will be made within 30 days of receipt and agreement of invoices for work completed to the satisfaction of NatureScot and in respect of any reimbursable costs
- Where the Contractor enters a sub-contract with a supplier or contractor for the purpose of performing the Contract, it shall cause a term to be included in such sub-contract which requires payment to be made to the sub-contractor within a specified period not exceeding 30 days from receipt of a valid invoice

REVIEWING AND REPORTING

Procurement Commercial and Improvement Programme (PCIP)

NatureScot is subject to the Procurement Commercial and Improvement Programme (PCIP) Procurement Health Check. The objective of the Procurement Health Check is to arrive at a shared understanding of what good procurement capability looks like, when strategic governance, policies and procedures are suitably aligned to the requirements of the organisation as well as the desired outcomes of the wider public procurement programme in Scotland.

NatureScot's next PCIP health check is due to be carried out during 2022. The Health Check is not scored, however, it may result in a set of recommendations to assist NatureScot to secure further improvements.

REVIEW OF PROCUREMENT STRATEGY

The Strategy will be reviewed and if necessary refreshed on an annual basis to reflect any changes made to legislation and regulations on the UK's exit from the European Union.

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Owner: Director of Business Services and Transformation

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ANNEX A

Policies, Tools and Procedures

Below are links to various NatureScot documents available on our website <https://www.nature.scot/>

- NatureScot's Corporate Plan – Connecting People and Nature 2018-2022
- Our Terms & Conditions
- Health & Safety Policy statement
- Sustainable Procurement Policy statement

NatureScot's Corporate Plan – Connecting People and Nature 2018-2022

<https://www.nature.scot/connecting-people-and-nature-corporate-plan-2018-2022>

NatureScot Sustainable Procurement Statement of Policy & Practice

<https://www.nature.scot/sustainable-procurement-statement-policy-and-practice>

NatureScot Health & Safety Policy Statement

<https://www.nature.scot/health-and-safety-requirements-template>

NatureScot's Conditions of Contract for the Provision of Services and For the Supply of Goods (and any related Services)

<https://www.nature.scot/about-snh/working-snh/join-our-team/supply-goods-and-services-snh>

NatureScot Internal Policies

Below are listed some of NatureScot's internal policies and guidance documents used to set the boundaries when procuring goods, services and works and ensure NatureScot's compliance with EU, UK and Scottish procurement legislation and regulations.

[NatureScot Procurement Journey <£50K & Below](#)

[Procurement Purchasing Thresholds](#) Information Notice

[Delegated Financial Authority Policy](#)

[Gifts, Award and Prizes Policy](#)

[Hospitality Policy](#)

[No Purchase Order, No Pay Policy](#)

[Conflicts of Interest Policy \(Procurement\)](#)

National and Regional Procedures and processes

Public Contracts Scotland

Should you wish to bid for contracts with NatureScot please register through Public Contracts Scotland as all our tendering activity with a value of £50,000 or more is conducted through this portal. NatureScot also use the Quick Quote facility for tendering activity with a value of £50,000 or less. Please select the link below to the website which contains instructions for suppliers:

<http://www.publiccontractsscotland.gov.uk/>

Statutory Guidance on Selection of Tenderers and Award of Contracts – Addressing Fair Work Practices, including the Living Wage, in Procurement -
<https://www.gov.scot/Resource/0048/00486741.pdf>

National Performance Framework - <http://www.gov.scot/Resource/0049/00497339.pdf>

Public Contracts (Scotland) Regulations 2015 -
http://www.legislation.gov.uk/ssi/2015/446/pdfs/ssi_20150446_en.pdf

Procurement (Scotland) Regulations 2016 -
http://www.legislation.gov.uk/sdsi/2016/9780111030868/pdfs/sdsi_9780111030868_en.pdf

The Procurement Journey - <https://www.procurementjourney.scot/procurement-journey>

Scottish Model of Procurement -
<http://www.gov.scot/Topics/Government/Procurement/about/spd-aims>

National Outcomes - <http://www.gov.scot/About/Performance/scotPerforms/outcome>

