

Meeting	Authority Meeting
Date	19 August 2020
Location	Video Conferencing
Title of Paper	Procurement Strategy 2017 - 2021
Presented By	James Gray, Chief Financial Officer
Recommendation to Members	For Approval
Appendix Attached	Yes – Procurement Strategy 2017 - 2021

PURPOSE

The purpose of this report is to seek approval to publish the Procurement Strategy for 2017 – 2021 in accordance with the Procurement Reform (Scotland) Act 2014 and Standing Order 36 of the Police Scotland Standing Orders Relating to Contracts.

Standing Order 36 requires the Head of Procurement to prepare and publish a procurement strategy on behalf of the SPA in accordance with the Procurement Reform (Scotland) Act 2014.

This paper has been submitted for Approval.

1. BACKGROUND

- 1.1 Under the Procurement Reform (Scotland) Act 2014, the SPA is required to publish a procurement strategy as it has spend in excess of £5m per annum. The current procurement strategy covers the period 2017 – 2020. It is also a requirement that the procurement strategy is reviewed at least annually. Whilst there is general information about the organisation within the strategy and wider strategic considerations, the primary statutory function of the procurement strategy is to lay out how the SPA will comply with its duties in relation to regulated procurements.

2. FURTHER DETAIL ON THE REPORT TOPIC

2.1 Review of the Procurement Strategy

The current procurement strategy has been reviewed in accordance with the act.

Whilst it was intended that a new strategy would be developed, uncertainty around the longer term effects of Covid-19 on the supply chain, and uncertainty around the future regulatory landscape for public procurement due to lack of clarity in Brexit negotiations has made it impossible to develop a new three year strategy in the circumstances.

It is recommended that the existing strategy is extended to cover the period 2017 – 2021, with a number of minor updates to actions due for completion in 2019 – 2020 and an update on the Procurement Improvement Plan.

This is in line with practice across the Scottish public sector, including the Scottish Government who recently released a Scottish Procurement Policy Note stating that its own strategy was to be extended to provide continuity during the Covid-19 pandemic. The SPPN is available on the Scottish Government website.

The elements of the strategy which lay out how the SPA will fulfil its duties in relation to regulated procurements have been reviewed and continue to demonstrate compliance with the current legislative framework, so cannot be altered before the implication of Brexit become clear.

2.2 Future Strategy Development

The procurement team will continue to monitor Brexit negotiations and likely impacts from a procurement point of view and bring forward a new strategy for FY 2021/2022 onwards for approval before the end of this financial year which details how the SPA will comply with any new or changed statutory duties that Brexit brings as well as the focus for dealing with a post COVID supply market when any longer term or deep rooted impacts will be clearer.

2.3 This paper was presented to the SPA Resources Committee on 10th August 2020 where committee members made a recommendation to the SPA Board to approve its contents.

3. **FINANCIAL IMPLICATIONS**

3.1 There are no financial implications in this report.

4. **PERSONNEL IMPLICATIONS**

4.1 There are no personnel implications associated with this paper.

5. **LEGAL IMPLICATIONS**

5.1 There are legal implications associated with this paper.

5.2 The publication of a procurement strategy is a legal requirement under the Procurement Reform (Scotland) Act 2014.

6. **REPUTATIONAL IMPLICATIONS**

6.1 There are reputational implications associated with this paper.

6.2 The Scottish Government monitor public bodies to ensure that they comply with the requirement to publish and review procurement strategies in accordance with the Act.

7. **SOCIAL IMPLICATIONS**

7.1 There are no social implications associated with this paper.

8. **COMMUNITY IMPACT**

8.1 There is no community impact associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this paper.

RECOMMENDATIONS

Members are requested to:

Approve the Procurement Strategy for 2017 – 2021.

OFFICIAL

Procurement Strategy – 2017 - 2021



Procurement Strategy 2017 - 2021



SCOTTISH POLICE
AUTHORITY

July 2019

Release Details

Date:	20/07/2020	Release:	1.02
Author:	Brian Kyle, Procurement Improvement Specialist		
Owner:	Iain McKie, Head of Procurement		
Client:	James Gray, Chief Financial Officer		
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Revision History

Date	Version	Summary of Changes	Author
June 2019	1	Initial Approved Version	Iain McKie
March 2020	1.01	Annual Review, Extension to March 2021 (Incorporating Minor Updates)	Brian Kyle
July 2020	1.02	Draft for Approval	Brian Kyle

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Forward

Police Scotland was formed from the amalgamation of eight regional police services and a number of national policing bodies, following the Police and Fire Reform (Scotland) Act 2012. This brought about significant levels of change and transformation and this is continuing. We are determined to create a modern and effective police service for Scotland and see procurement as a critical enabler in the transformation process.

The goods and services that we procure amount to approximately 20% of our overall annual budget. Delivering value for money in this expenditure is important in demonstrating that Police Scotland is a responsible organisation in the management of tax payers' money and our commitment to transparency and proportionality. We also recognise that procurement and supply chain management can contribute much more in terms of improved levels of services, innovation, community benefits, flexibility and sustainability.

The 2017-2021 Procurement Strategy is a fundamental step forward from the previous strategy:

- It builds on the delivery of the previous strategy and procurement restructuring, notably Category Management
- It reflects our new corporate strategy – *Policing 2026, Serving a Changing Scotland*, published in 2017, and the Three-Year Plan, which also spans the 2017-2020 period
- It focuses more directly on supporting the service in carrying out its functions, achieving its benefits and delivering value for money, following the introduction of Category Management
- It fully reflects the Scottish Government's 2016 Guidance under the Procurement Reform (Scotland) Act 2014.

This strategy sets out our approach to ensuring that Procurement contributes to the achievement of our vision of sustained excellence in service and protection outlined in *Policing 2026*, our 10-year Strategy for Policing in Scotland.

1. Introduction

1.1 Strategic Aims and Focus of Police Scotland

The Police Service of Scotland (Police Scotland) came into being on 1 April 2013, following the Police and Fire Reform (Scotland) Act 2012, which had the strategic aims of:

- Protecting and Improving local services, despite financial cuts
- Creating more equal access to specialist support and national capacity
- Strengthening the communication between services and communities.

From a police perspective, this meant merging eight separate police services and two central bodies into a single entity, Police Scotland.

Police Scotland is now the second largest police service in the UK with over 17,000 police officers and approximately 5,000 staff members. The service provides all policing functions nationally and is structured around 13 local policing divisions supported by national divisions and departments including Partnership, Crime Prevention and Community Wellbeing, Crime and Protection, Specialist Crime and Intelligence, Operational Support, Strategy, Assurance and Continuous Improvement, Operational Change and Corporate Support Services.

As part of the governance arrangements for Police Scotland, the Act created the Scottish Police Authority (SPA) with statutory functions that include maintaining the Police Service, holding the Chief Constable to account and delivering Forensic Science Services.

The Scottish Police Authority is the Contracting Authority for all Police Scotland procurement.

1.2 'Policing 2026 – Serving a Changing Scotland'



In June 2017, Police Scotland and the SPA jointly published the 10-year strategy for policing in Scotland, 'Policing 2026 – Serving a Changing Scotland' setting out clear direction for long-term operational and financial sustainability. Following publication of the strategy, Police Scotland has developed a three-year implementation plan to drive a collaborative and strategic change programme to transform policing in Scotland.

The 2026 Strategy highlighted five main areas of focus for policing as follows:

- Protection – Based on threat, risk and harm
- Prevention – Tackling crime, inequality and enduring problems facing communities
- Communities – Focus on localism, diversity and the virtual world
- Knowledge – Informing the development of better services
- Innovation – Dynamic, adaptable and sustainable.

The strategic objectives within the strategy are summarised in Figure 1 below:



Figure 1: Policing 2026 Vision & Strategic Objectives

The *Policing 2026* strategy document can be found at:

<http://www.scotland.police.uk/assets/pdf/138327/386688/policing-2026-strategy.pdf>

1.3 The Three-Year Implementation Plan 2017-2020



The *Policing 2026* Strategy is being implemented via an initial three-year plan ‘*Serving a Changing Scotland, Creating Capacity to Improve*’. The plan emphasises the need to maintain a clear focus on delivering high quality policing services. This means a strategic planning and performance framework and change portfolio to ensure the enablement and support for operational policing; transformation in line with clear strategic direction; an inspired and empowered workforce; greater opportunities for partnership and innovation; and effective leadership.

The three-year implementation plan can be found at:

<http://www.scotland.police.uk/assets/pdf/138327/386688/policing-2026-3-year-programme-2017-2020>.

Policing 2016 and, in particular, the Three-Year Implementation Plan form the foundation of the Procurement Strategy for 2017-2020 along with the requirements of the Procurement Reform (Scotland) Act 2014.

2. Procurement in Police Scotland

2.1 Overview

The Procurement Function in Police Scotland encompasses all non-staff expenditure across the SPA and Police Scotland, which amounted to £154 million in 2017-18, and includes goods, services and works procurements across three category groups:

- Corporate & Estates
- ICT, Specialist Crime & Forensics
- Operational & Fleet

The breakdown of this expenditure is as illustrated in Figure 2 below.

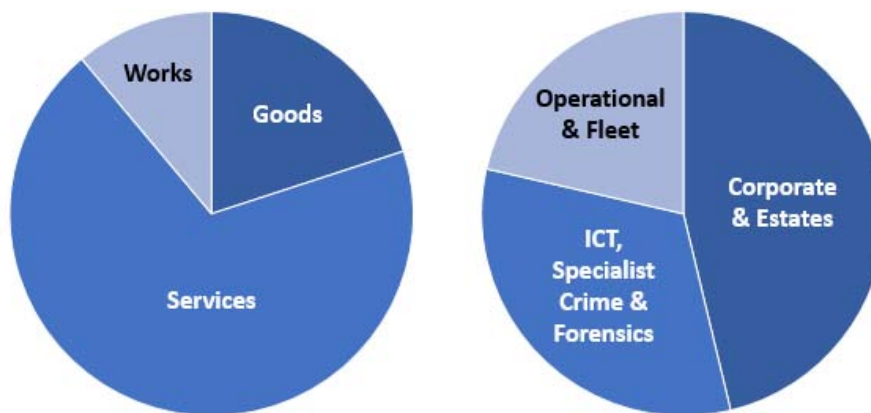


Figure 2 High-Level Expenditure Breakdown 2017-2018

2.1.1 Procurement Aim

It is the aim of Procurement to achieve value for money for the taxpayer through all procurement activity within Police Scotland and the Scottish Police Authority, to enable and support the organisation in improving safety and wellbeing of people, places and communities throughout Scotland.

2.1.2 Role of the Procurement Function

The role of the Procurement Function is to:

- Ensure that value for money is achieved through appropriate procurement strategies and procedures and input into programme business cases
- Advise, guide and support the development of and compliance with procurement policy, best practice and legislation
- Provide professional, qualified procurement expertise, advice and services
- Ensure that business needs are met through its procurement of goods, services and works
- Contribute to the aims and objectives of the organisation, as detailed in the corporate plan

- Pro-actively manage and develop the supplier base, including small and medium-sized enterprises (SMEs) and voluntary, community and social enterprise (VCSE) sector organisations, identifying and managing any supply risks or value add opportunities
- Co-ordinate training development and registering of procurement officers
- Assess procurement competencies across the organisation, using tools such as the Scottish Procurement Competency Framework
- Promote and engage in collaboration and information sharing with relevant partner organisations
- Support sustainable policies through procurement processes.

2.1.3 Procurement Responsibilities

The main responsibilities of the procurement function within Police Scotland encompass the following activities are to:

- Act as the interface between the contracting organisation and the external marketplace on commercial matters
- Determine requirements and establish specifications in collaboration with end-users
- Challenge end-user requirements critically for need and cost effectiveness, taking account of whole life costs and corporate social responsibility and sustainability issues
- Manage strategic supplier relationships
- Manage procurement competitions, contract awards and contracts
- Maintain a comprehensive contract register
- Establish arrangements relating to authority to procure
- Continually strive to develop improvements in process and procedures to ensure efficient and timely procurement
- Measure and report procurement performance, including Best Practice Indicators (BPIs).

2.2 Procurement Strategy

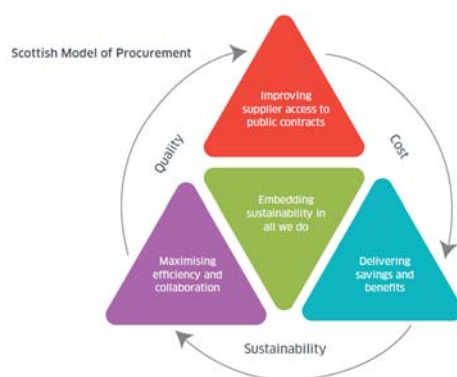


Figure 3 Scottish Procurement Model

At the heart of this Procurement Strategy is the Scottish Government’s strategic concept of value for money in procurement being an informed balance between cost, quality and sustainability.

The Value for Money triangle is at the heart of this, and sums up the Scottish Model of Procurement, which is outlined in Figure 3

In compiling the 2017-2021 Procurement Strategy the following have been taken into account:

- *Policing 2026* and the Three-Year Plan for 2017-2020
- The Procurement Reform (Scotland) Act 2014
- The applicable legal requirements, as outlined in Appendix A, notably The Public Contracts (Scotland) Regulations 2015 and The Procurement (Scotland) Regulations 2016
- The Scottish Procurement Model.



Guidance under the Procurement Reform (Scotland) Act 2014, published by the Scottish Government, includes an outline of how an authority should set out how it intends to ensure that its procurement strategy delivers value for money and contributes to the achievement of its aims and objectives and the requirement to report, record and publicise performance and achievements in delivering the strategy in the Annual Procurement Report.

With the guidance to the fore, the Procurement strategy is therefore laid out in four main sections:

- Contribution to Carrying Out Functions and Achieving Purposes
- Delivery of Value For Money
- Compliance with General Duties
- Action Areas and Progress Update

The alignment between the Act and the Policing 2026 strategy are summarised in Figure 4, below:

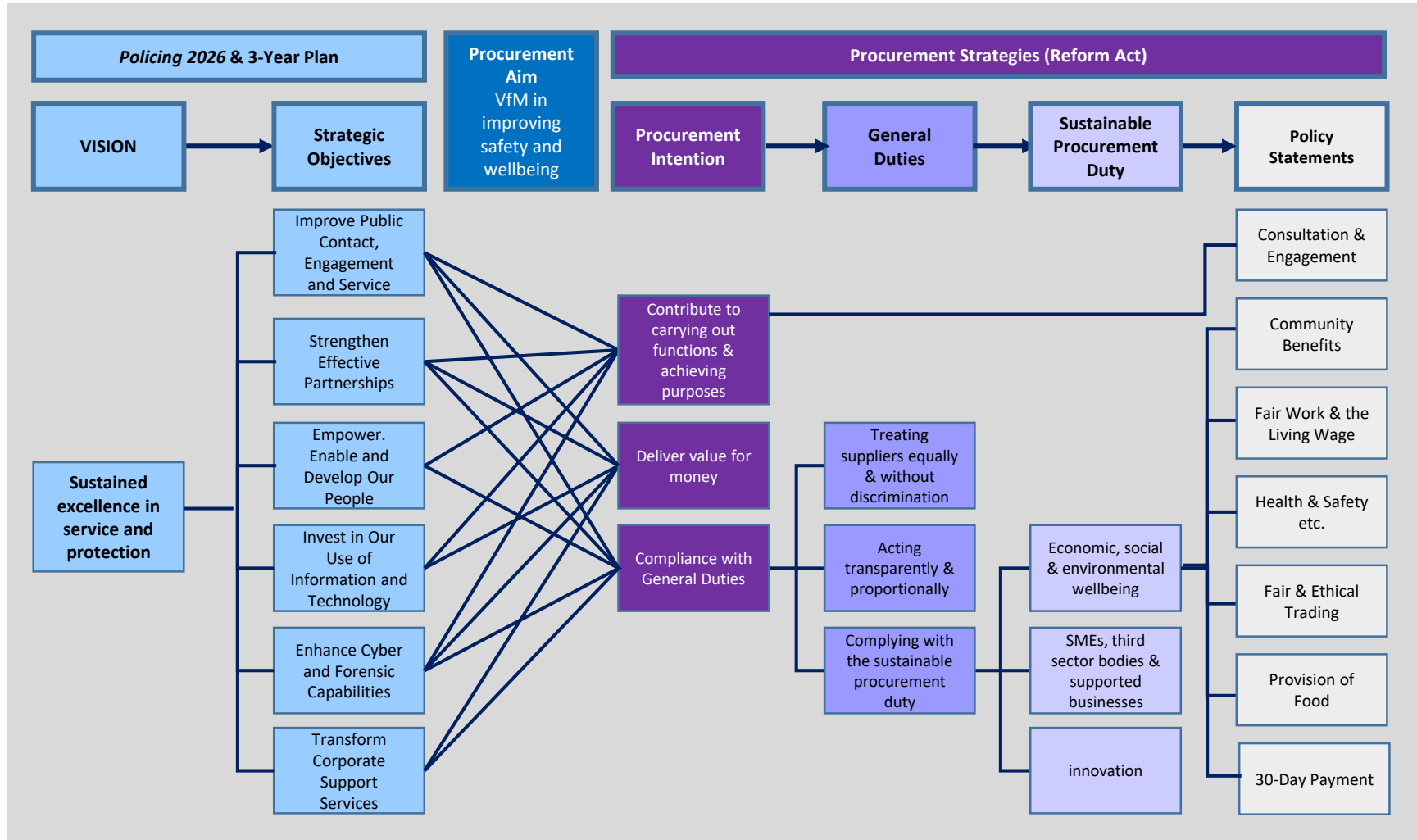


Figure 4 Policing 2016 and Procurement Reform (Scotland) Act 2014 Alignment

3. Contribution to Carrying Out Functions and Achieving Benefits

3.1 Introduction

The 2017-2021 Procurement Strategy has Functional Realignment and Integration at its heart. This had the aim of enabling the Procurement Function to be flexible and responsive to the dynamic nature of policing through realignment and better integration of procurement professionals within specific customer business functions, such as Operational Policing, ICT, Specialist Crime and Estates. This has improved communications and resulted in a more appropriate balance between requirement specifications that are fit-for-purpose with commercial flexibility to enable the delivery of value for money in line with reform objectives and the Scottish Procurement Model.

The Police Scotland strategy for contribution to carrying out the organisation's functions and achieving the benefits is therefore described in relation to the category structure and transformation programme as follows:

- Corporate and Estates
- ICT, Specialist Crime and Forensics
- Operational and Fleet

In addition to the operational support provided to the organisation, the Procurement function is required to support the exceptional demand generated by the transformation programme. Major supported elements of the programme are:

- Three-Year Plan
- Finance Transformation
- Transforming Corporate Support Services (TCSS)
- Digital, Data and ICT (DDICT) Strategy
- Demand, Productivity and Performance (DPP) Analysis
- British Transport Police (BTP) Integration
- Estates Transformation

3.2 Corporate and Estates

3.2.1 Overview

The Corporate and Estates Category includes all goods, services and works contracts in relation to Estates and a broad range of goods and services, including professional services, required across the whole of the organisation.

Key stakeholders are the Estates, People & Development (P&D), Finance, Legal and Corporate Communications functions. Day-to-day interaction with these functions is supplemented by regular review meetings on a monthly and as required basis.

3.2.2 Major Contracts and Target Dates

The major contract plan and three-year milestones are as summarised below:

Function	Contract	Award Date	Duration
Corporate Communications	Media Services	2019/20	4 Years
Data Protection	Off-Site Secure Data Storage	March 2020	4 Years
Estates	Soft FM Phase 1	April 2018	5 + 2 Years
	Soft FM Phase 2	2019/20	5 Years
	Professional Services Frameworks	2019/20	4 Years
	Furniture Supply & Recycling	April 2019	3 + 1 Years
Legal	Legal Services	April 2020	4 Years
P&D	Travel Management	November 2018	3 + 1 Years
	Recruitment Master Vendor(s)	2019/20	4 Years
	Occupational Health	April 19	3 + 1 Years
	Employee Assistance	April 19	3 + 1 Years
SPA	Internal Audit	1 August 2018	3 + 1 Years



The Soft FM contract, implementing a cost reduction plan over a five-year period by integrating, rationalising and enhancing outsourced services across 326 sites by contracting for continual improvement and cost efficiencies won the 2018 GO Scotland Procurement Excellence Major Project Award.



3.2.3 Transformation Programme

An additional short-term resource was added to category team in November 2017 to manage the award and management of professional services required to support the transformation programme. The main contract milestones as summarised below:

Programme	Contract	Award Date	Completion
Finance	Transformation Support Contracts	April 2017	March 2019
TCSS	IBC Support	November 2017	May 2018
	FBC Support	July 2018	March 2019
DDICT	SOBC Support	January 2018	April 2018
	OBC Support	June 2018	December 2018
DPP	Programme Design	July 2018	September 2019
BTP Integration	Programme Manager	November 2017	June 2018
	Due Diligence	March 2018	June 2018
Estates	Stabilisation Contracts	May 2018 & February 2019	June 2019

Programme	Contract	Award Date	Completion
General	Transformation Support	July 2018	March 2019

3.3 ICT, Specialist Crime and Forensics

3.3.1 Overview

The ICT, Specialist Crime and Forensics Category is managed from two aspects:

- ICT Operational Procurement
- Major Programme and Projects.

Key stakeholders are the Director of ICT and department heads, Specialist Crime Division including the Detective Superintendent for Cyber Capability and Resilience, Chief Inspector for Technical Surveillance and Heads of Departments and the Director of Forensic Services and Heads of Departments. Forensic Services is the responsibility of the SPA.

Day-to-day interaction with these functions is supplemented by participation in Steering Groups and Programme Boards and regular review meetings on a monthly and as required basis.

3.3.2 ICT Operational Procurement

Established shortly after amalgamation, ICT Operational Procurement addresses hardware and software and managing all aspects of:

- Accounting and budgetary compliance for capital and revenue
- Contract maintenance, renewals and consolidation and cost opportunities
- Forecasting, scheduling, asset management and stock holding including bonded storage
- Co-ordinating the procurement activity involved in responding to major incidents
- Providing market intelligence, in relation to product development, and customer-specific advice.

Action Area

Maintain resilience in the activity from the Financial Year 2017-2018 and establish flexible resourcing to absorb the changing work practices resulting from the transformation programme.

3.3.3 Major Programmes and Projects

The ICT, Specialist Crime and Forensics major projects team provides procurement expertise to major programmes and projects across the three functions, and other Police Scotland and SPA departments as needs arise, and, in addition to supporting the Transformation Programme, also has a significant role to play in other initiatives such as:

- As part of *Policing 2026*, Police Scotland has commenced two major Programmes of Transformation: Cybercrime Capability Programme (CCP) and the Technical Surveillance

for the 21st Century Programme (TS21C). The aim of both programmes is to review and transform capability and capacity across the three functions of Cybercrime, Digital Forensics and Technical Surveillance

- Cyber Resilience in the Supply Chain in which the aim is for Scottish communities to develop a culture of cyber resilience and trust in digital services. One of the key themes of the programme is 'Digital Safety, Prevention and Resilience'. Police Scotland will be a Public Sector Cyber Catalyst in proactively communicating the Scottish Government's Cyber Resilience message.

Action Areas

- Review of Cyber Crime, Digital Forensics and Technical Surveillance current operations by the end of March 2019
- By the end of February 2019, complete the procurement of;
 - Hydra Upgrade, Support and Maintenance
 - LAN equipment
 - Workflow Management System
- By the end of March 2019, complete procurement of:
 - Specialist Training for Cyber Operations
 - Overt and Covert Procurement for TS21C
 - Asbestos Management System
 - Forensic Services Logistics Contract
 - eFinancials upgrade
 - CHIS system
 - Secure Data Hosting for East Data Centre
- Ensure consistent assessment of 3rd party/supply chain information assurance, and cyber security risk when contracting to deliver goods and services, target Q2 2019-2020

3.3.4 Major Contracts and Target Dates

The major contract plan, for contacts other than the above, and three-year milestones are as summarised below:

Function	Contract	Award Date	Duration
All Category Areas	Capital Allocation, Transformation and BAU	April 2019 to March 2020	TBC
Forensic Services	DNA Consumables	Expected April 2019	TBC
Cyber Capability & Technical Surveillance	Various Projects and Initiatives (Overt and Covert)	Expected October 2019	TBC
ESMCP	Direct Network Service Provider (DNSP)	August 2019	TBC
	ESN Devices	November 2019	TBC

Function	Contract	Award Date	Duration
ICT	National Network	August 2018	7 Years
	Mobile Working	December 2018	3 + 2 Years
	National ICCS	February 2019	5 + 5 Years
	DEPP Core Operational Solutions	March 2019	5 + 5 Years
	Microsoft Renewal	Expected April 2019	TBC
	Airwave Extension	August 2019	TBC
	Renewal of C3 Storm System	April 2019	TBC
	MFD Contract Renewal	August 2019	TBC
	Data Governance	October 2019	TBC
	Unified Communications	November 2019	TBC

3.2.4 Transformation Programme

Specific ICT contracts featuring in the Three-Year Plan are as summarised below:

Objective	Contract	Action	Completion
Invest in Our Use of Information & Technology	ANPR	Complete Procurement	Contract Awarded Year 1 Complete
	National Digital ICCS Solution	Commence Procurement	Contract Awarded Commenced February 2019
	Mobile Policing Approach	Commence Procurement	Contract Awarded Commenced January 2019
Enhance Cyber & Forensics Capability	Digital Forensics Infrastructure	Commence Procurement & Initial Roll-Out	Ongoing
Transform Corporate Support Services	Payroll System	Complete Procurement	Year 1 Complete Year 2 Commenced

Full updates on this contract activity is provided in Section 6.1.

3.4 Operational and Fleet

3.4.1 Overview

The Operational and Fleet Category includes the goods and services required to support operational policing including the fleet across a wide range including participation in

activities including the National Vehicle User Group, the Vehicle Equipment Working Group and the Uniform and Body Armour Working Groups.

Key stakeholders are the Fleet Department, Specialist Services including Air Support, Armed Policing and Mountain Rescue, Emergency Events and Resilience Planning and Road Policing as well as Local Policing. Day-to-day interaction with these functions is supplemented by regular review and working group meetings on a monthly and as required basis.

3.4.2 Major Contracts and Targets

The major contract plan and three-year milestones are as summarised below:

Objective	Contract	Action	Completion
Improve Public Contact, Engagement & Service	Sign Language Services*	Establish a Justice Sector Framework	Q3 2018-2019
	Face-to face-and telephone Interpretation Services	Establish fit-for-purpose	Complete
Strengthen Effective Partnerships (working with external bodies)	Data-Enabled Breath Test Devices	Provide access to data gathered to Transport Scotland & Scottish Government	Q3 2018-2019 onwards
	Transport of Deceased Persons	Agree roles and responsibilities between Police, Fiscal & NHS	Q3 2018-2019
Invest in Our Use of Information & Technology	Vehicle Telematics*	Fit fleet with telematics devices and turn on data collection	Q1 2018-2019
	Night Vision Goggles	Provide equipment to Armed Policing Unit	Q4 2017-2018
Empower & Enable Our People	Vehicle Equipment Contracts	Equip fleet with equipment identified by working group	Q4 2017-2018
Enhance Cyber & Forensic Capabilities	Collision Investigation Equipment	Equip Roads Policing Unit with advanced devices for investigation	Complete

*Identified within Strategic Action Areas

4. Value for Money

4.1 Introduction

The delivery of value for money is the over-arching aim of procurement within Police Scotland. It underpins all of the activity within the function and across the procurement process in which key elements are:

- Sourcing Strategies of all regulated procurements
- Non-Competitive Action and Direct Award reports where applicable
- Tender construction, evaluation criteria and moderation
- Contract Award Recommendations
- Contract and Supplier Management

Specific strategies in relation to achieving value for money across the organisation are:

- Target Operating Model
- The Commercial Excellence Programme
- Procurement Process and Systems Development, notably in Purchase-to-Pay (P2P)
- Contract and Supplier Management

Each of these is outlined in the sections that follow.

4.2 Target Operating Model

The current procurement operating model was established following the merger of police services from 2014 with Category Managers being appointed in 2017-2018 and approval to recruit to a full complement from 2018-2019. With the introduction of Policing 2016, the Three-Year Plan, requirements have been refined and there is a need to ensure that the operating model aligns with current corporate strategies and objectives.

Action Area

Review the operating model and develop a new target operating model and implementation plan for sign-off by the Chief Financial Officer in Q2 of 2020/2021.

4.3 Procurement Improvement Plan

Police Scotland put in place a Procurement Improvement Plan in February 2019 to identify and deliver opportunities for improvement across the procurement function. The plan is split into three phases. The initial phase of the plan has been delivered and focused on increasing compliance. We are now in phase two of the plan which is focusing on increasing capability and performance. Phase 3 of the plan will see continuous improvement embedded within the procurement team.

Action Areas

- Embed a strategic category management approach to procurement
- Review the procurement team structure to align with strategic objectives
- Deliver and track secured savings
- Enhance the procurement team capability through training based on assessment against the Scottish Government Procurement Competency Framework
- Contract Management framework with comprehensive toolkit to enable the effective and consistent management of contracts.
- Implement a range of best practice improvements in line with current legislation
- Migrate to phase three and embed continuous improvement within the new structure
- Develop and implement improved expenditure controls, including supporting the introduction of new system based controls.

Key plan successes to date have included:

- Improvement in spend compliance
- Implementation of a Contract and Supplier Management Framework
 - Translation services and stationery initiatives delivering cashable savings as forecast.
 - Roll out of new custody meals offer and recycled paper.
 - Police Scotland are winners of a GO Awards Scotland Procurement (first time the team has entered) for the implementation of Soft FM project Phase 1. This will generate significant savings over the five year period.
- Improvement of governance, policies and procedures
- A robust *Commercial Excellence* benefits tracking mechanism developed – enabling finance and procurement to effectively monitor the benefits delivered by CE.

4.4 Procurement Processes and Systems

Efficient and effective processes and systems are important in driving value for money within Police Scotland to increase productivity and provide information for improvements in decision-making. Following the progress made as a result of the previous procurement strategy, further process and system improvement projects include the introduction of improvements in information sharing and activity tracking, eTendering and the P2P process.

Action Areas

- Establish PCS-Tender as the preferred vehicle for electronic tendering by the end of April 2019. – Complete
- Establish an information sharing solution and activity tracker by Q2 2019-2020 - Complete
- Carry out a review of P2P processes and develop an improvement plan in 20120-2021
- Implement a P2P process improvement programme from Q2 2020-2021
- Introduce standard working templates for procurement processes in June 2019. - Complete



The PCS (Tender) e-tendering solution will provide a web-based application which will allow the organisation and suppliers to securely manage their interactions during the tender process. The tool being utilised is fully compliant with EU Directives and supports the full tender process including: advertising, expression of interest, pre-qualification questionnaire (PPQ), invitation to tender (ITT) and award notices.

4.5 Contract and Supplier Management

In 2016, as part of the *Commercial Excellence* Programme, it was recognised that Police Scotland could delivered enhanced value by implementing more effective and consistent contract and supplier management across the organisation. This is to reduce operational costs; increase sustainable cost saving; manage risk effectively; improve service quality; drive compliance with general duties; and improve relationships with suppliers.

As part of the scope of *Commercial Excellence*, a joint team reviewed the current contract management landscape, and developed revised guidance and processes for contract management. Following this, the Procurement Improvement Team put in place a work stream to implement contract management across all new contracts and to add it to existing contract with “Tier 1” suppliers. The initial roll out has now completed and further work will be undertaken to review the effectiveness of the measure put in place and take actions based on lessons learnt to refine the process on an ongoing basis.

Action Areas

- Establish a single, national Contract Register - Complete
- Undertake a ‘current state’ review, define revised processes for contract management and design a toolkit for contract management by April 2019 - Complete
- Implement the new processes and toolkit across a sample of key contracts and suppliers and develop a plan for the roll-out of contract and supplier management across the wider organisation by August 2019. - Complete
- Implement contract and supplier management across the wider organisation by June 2020. – In Progress

4.5 Conclusion

Much has been achieved since the adoption of National Procurement but Police Scotland is committed to continual improvement and participated in the Scottish Government Procurement and Commercial Improvement Programme (PCIP) in June 2019 which highlighted areas for improvement which were broadly aligned to the areas already identified within the Procurement Improvement Plan

Going forward and looking into 2020-2021 and beyond, the Procurement Function will focus on increasing the profile of procurement, contract management and supply chain management across the organisation and adopting best practice developing the commercial awareness training suite for stakeholders outside the function

5. Compliance with General Duties

5.1 Introduction

Police Scotland is committed to complying with the Procurement Reform (Scotland) Act 2014 and all other applicable legislation, which is listed in Appendix A.

The section describes the compliance approach in relation to the **General Duties**, as outlined within the Act, in three sections:

- Equal Treatment and Non-Discrimination
- Transparency and Proportionality
- Sustainable Procurement Duty

5.2 Equal Treatment and Non-Discrimination

Equal treatment and non-discrimination are fundamental principles within EU, UK and Scottish procurement legislation and of Police Scotland's approach to the management of all procurement activity and regulated procurements in particular.

In pursuit of these goals, and to deliver value for money, Police Scotland has adopted a range of applicable processes including:

- Ensuring that only staff with appropriate training and experience are authorised to oversee regulated procurements.
- Early market engagement
- The use of clear, precise and plain English language in tender documents, to facilitate unambiguous understanding of requirements
- Breaking down invitations to tender into lots wherever practicable to encourage SMEs and other niche service providers to submit proposals.



In addition to the above, Police Scotland continues to encourage fair, open and transparent competition by advertising all relevant contract opportunities via the Scottish Government Procurement Portal Public Contracts Scotland (PCS).

Action Area

Establish PCS as the prescribed medium for advertising relevant contract opportunities by the end of Q2 2017-2018. - Complete

5.3 Transparency and Proportionality

Police Scotland promotes transparency and proportionality in all procurement activity through the market-facing approaches and a suite of internal procedures for regulated procurement, which include:

- Adopting the European Single Procurement Document (ESPD) (Scotland) to reduce the administrative burden of prospective suppliers, especially SMEs
- Sourcing Strategies, which are signed off by the Senior Responsible Officer and Head of Procurement, as described below
- Non-Competitive Action (NCA) Approvals, used primarily for ICT licence extensions, maintenance related to warranties, systems upgrades, specific software solutions and unavoidable sole supply procurement
- Direct Award Approvals where contracts are to be awarded under framework contracts without further competition
- Contract Recommendation Reports, approved by the Head of Procurement, SPA Chief Officer or SPA Board, depending on value
- Clear definition and separation of quality and price in tender evaluation and independent moderation.
- Post-Tender feedback reports to successful and unsuccessful suppliers
- Annual Procurement Report

Sourcing Strategy

It is Police Scotland policy to develop and sign-off a **Sourcing Strategy** for all regulated and works programmes in consultation with key stakeholders. The principal elements of a Sourcing Strategy are:

- Background Information
- Service Outline, including customer consultation
- Pre-Tender Market Engagement
- Analysis and Recommendation of Procurement Route
- Stakeholder Analysis, including identification of the customer project team and evaluation panel
- Risk Assessment and Management Plan
- Sustainable Procurement Duty
- Contract Management Approach
- Outcomes and Benefits
- Mandatory requirements and other contract-specific requirements such as security aspects, vetting, equalities impact, financial stability
- Procurement Plan

Action Areas

- Reduce NCA requests below 7% of all spend requiring to be regulated, by volume, by 2017-2018 and 5% by 2019-2020 – Monitoring ongoing, additional diligence applied to ensure NCAs are fully justified in terms of procurement legislation and internal policies and procedures.
- Embed Sourcing Strategies in Procurement Governance from Q1 2018-2019 - Complete
- Publish the Annual Procurement Report in Years 1 and 2 – Complete and 19/20 approved by SPA board and ready for publication

5.4 Sustainable Procurement Duty

The Police Scotland strategy in relation to improving the in which it operates is encapsulated in the prescribed suite of policy statements:

- SME, VCSE and Supported Business Involvement
- Innovation
- Economic, Social and Environmental Wellbeing in Communities
 - Consultation and Engagement
 - Community Benefits
 - Fair Work and the Living Wage
 - Health & Safety etc
 - Fair and Ethical Trading
 - The Provision of Food
 - 30-Day Payment

Each of these is described in the sections that follow.

5.5 SME, VCSE Sector and Supported Business Involvement

Where appropriate, Police Scotland will facilitate the involvement of small and medium-sized enterprises (SMEs) and the Voluntary, Community and Social Enterprise (VCSE) Sector, (also referred to as the Third Sector), including supported businesses, in regulated procurement exercises.

Steps being taken to facilitate this involvement include:

- The inclusion of Sustainable Procurement Duty with Sourcing Strategies
- The use of Public Contracts Scotland (PCS) as the principal advertising route
- Participation in Supplier Development Programme events such as 'Meet the Buyer'
- Involvement of relevant organisations in market engagement and consultation exercises
- The use of lots in ITTs and similar documents
- Creating opportunities for joint and consortium bidding

- The use of Dynamic Purchasing Systems (NPSs) and similar arrangements such as the NEPO Professional Services Framework
- Reporting in the Annual Procurement Report

Case Study



An example of supported business involvement is the current contract for the Provision of Services for the Disposal and Recycling of Redundant ICT and Waste Electrical Equipment. This was tendered on the open market exercising the right to reserve contracts for Supported Businesses and Supported Employment Programmes for the integration of disabled or disadvantaged persons

This is a zero cost contract. There are no charges for the services being provided, including transportation, recycling, disposal, certificates and reporting of ICT and Waste Electrical and Electronic Equipment. In the return, the supplier is under no obligation to provide any value back on any equipment deemed resalable.

5.6 Innovation

It is Police Scotland policy to promote innovation in relevant market places and this reflected in a number of approaches including:

- Innovative, but compliant, approaches to procurement such as the use of DPSs and live-streaming supply market engagement on a secure YouTube link
- Clauses in ITT and similar documents to encourage innovation in design, commercial arrangements and joint work
- Support to specific Police Scotland initiatives such as the CAN DO Innovation Challenge Fund

Case Study



Police Scotland is in the process of identifying an innovative technology solution to help manage the care and welfare of persons in police custody

The Innovative Partnership procurement route is being used with funding from Scottish Enterprise’s CAN DO Innovation Challenge Fund

5.7 Economic, Social and Environmental Wellbeing

5.7.1 Consultation and Engagement

It is Police Scotland policy to consult with and involve with customers, potential suppliers and others to help design procurements and this is a fundamental element to developing and signing off Sourcing Strategies.

Police Scotland takes a fit-for-purpose approach the consultation and stakeholder engagement and this can include:

- Stakeholder interviews and workshops
- ‘Voice of the Customer’ workshops
- Supply Market Analysis, which can be bought in where specific market knowledge is required
- Soft Market Testing including insight sessions with a sample of potential suppliers
- Pre-Tender Market Engagement including:
 - Briefing documents
 - Invitations to Express an Interest
 - Telephone Conference Briefings
 - Face-to-Face Briefing Sessions, which may be streamed on-line and recorded for the benefit of potential suppliers that are unable to attend in person and for the use of bid teams
- SRO and Head of Procurement sign-off to Sourcing Strategies
- Post-Tender Briefing, for both unsuccessful and successful suppliers.

Action Areas

- Introduce the Sourcing Strategy Approach for all regulated procurements from Q1 2018-2019 - Complete
- Embed the Sourcing Strategy approach in Procurement Governance from 2018-2019 - Complete

In the development of this Procurement Strategy key stakeholders within the SPA and Police Scotland were asked to participate at a series of working sessions facilitated by the Head of Procurement and the Category Managers. A summary of those stakeholders consulted during the strategy development process is included in Appendix B.

5.7.2 Community Benefits

The 2014 Act describes a community benefit as a contractual requirement by a contracting authority relating to training and recruitment or the availability of sub-contracting opportunities; or which is otherwise intended to improve the economic, social or

environmental wellbeing in the authority's area in a way additional to the main purpose of the contract.

Within Police Scotland, it is policy to build community benefits into the contracting process for all major contracts across all three categories, with standard clauses introduced into relevant invitation to tender and similar documents.

Going forward focus is being placed on contract lengths that will enable suppliers to recruit and train, flexible ITTs that will enable suppliers to form consortia with, or sub-contract to SMEs and other organisations within the community, and evaluation criteria that will include addressing community benefits.

A combination of this approach and the continued roll-out of the Commercial Excellence Programme throughout the organisation has seen the consideration of community benefits being adopted for all regulated procurements, regardless of value. The Sourcing Strategy document that is created for all regulated procurements includes a sustainability section that details opportunities relating to SMEs, Supported Businesses, Community Benefits, Environmental Benefits and Fair Working Practices for the individual tenders and contracts.

When an opportunity is highlighted as a viable option, this will flow through the procurement stages and be captured within the tendering, evaluation and contractual documents. There are still challenges in being able to implement community benefits in some commodities but this standardised approach for all regulated procurement will promote the consideration of this key topic within the stakeholder group and the supply base for Police Scotland.

Case Study

The current contract for the provision of professional services support in analysing and providing insight in to the demand, productivity of police officer capacity was let on a flexible basis that includes sub-contracting elements of the service to a Scottish local authority and academic institutions.

Action Areas

- Include Community Benefits in Sourcing Strategies from 2017-18 - Complete
- Introduce Community Benefits in tender evaluation criteria from 2018-2019 = Complete
- Include Community Benefits in the Contract Management process from 2018-19 - Complete

5.7.3 Fair Work and Living Wage

Police Scotland has implemented the Scottish Government’s commitment to the Living Wage for staff under its direct control.

Fair Work is defined in five dimensions: fulfilment, security, opportunity, respect and effective voice.

It is Police Scotland policy to consider Fair Work practices in applicable procurements and to promote the payment of the Living Wage in relevant procurements. Police Scotland is to include Fair Work and Living Wage award criteria in all appropriate contracts where they are relevant. This will involve developing procedures to help teams to consider Fair Work practices and monitor progress within relevant procurements.

Action Area

By the end of the Financial Year 2019-2020, Police Scotland will include Fair Work and Living Wage award criteria in all appropriate contracts - Complete

5.7.4 Health & Safety at Work Act etc.

The SPA and Police Scotland are committed to promoting and implementing policy, procedures and guidance to ensure that workplace activities are carried out in such a manner that risks to the health, safety and welfare of staff, the public and those that deliver contracts are eliminated or reduced, so far as is reasonably practicable. This encapsulated in the 2016 Health, Safety and Wellbeing Policy.

It is a standard condition of SPA and Police Scotland contracts that suppliers must abide by all relevant legislation and industry good practice. In addition, contract management processes are being developed to include information about health and safety incidents and action being put in place to mitigate the incidents and prevent repeat.

Action Areas

- Include Health & Safety at Work Act etc in Sourcing Strategies by Q1 2018-2019 - Complete
- By the end of the 2019-2020, Police Scotland contract management procedures will include information about health and safety incidents and action being put in place to mitigate them – Will be introduced as appropriate contracts are renewed.

5.7.5 Fair and Ethical Trading

It is Police Scotland policy to source fairly and ethically traded goods and services wherever relevant and to consider their implications through the stages of the procurement cycle. This includes the specification of fairly and ethically traded goods and services wherever

relevant; considering the wider implications of procurements; relevant terms and conditions in contracts; and in contract management.

Whilst fair and ethical trading features in sourcing strategies, the following categories of expenditure are amongst those that are regarded as high risk and are therefore given proportionate consideration:

- All textiles, including uniforms
- Food and catering services
- Furniture and products with a timber content
- Hazardous substances
- Building materials
- Supply chains featuring organisations in developing countries

Action Area

- Whilst fair and ethical trading is addressed in current sourcing strategies, it is not formalised in the contract management process. Therefore, by the end of the 2019-2020, Police Scotland contract management procedures will include processes to monitor this aspect on an ongoing basis. – Will be introduced as appropriate contracts are renewed.
- Institute sustainable supply chain training in the first quarter of 2019-2020 - Complete

5.7.6 The Provision of Food

Within Police Scotland, food is provided:

- Via catering services, including vending machines, within soft facilities management contracts
- Within the Custody, Division, which is classified as a food business establishment and has implemented a food safety management system
- Via other arrangements including a retail shop at the Scottish Police College, and special operational requirements, such as the use of the procurement cards

Dog food is supplied via a national contract addressing specific dietary requirements and horse feeding etc. via local suppliers

To improve the health, wellbeing and education of communities in which Police Scotland operates and to promote the highest standards of animal welfare, in the procurement of food the policy is to:

- Ensure that contracts is to ensure meet the requirements of customers, comply with applicable legislation and address other factors such as traceability, animal welfare, environmental standards, nutrition and waste
- Align with government policies on healthy eating and nutrition and the promotion of fresh, seasonal, fairly traded and local produce.

Case Study

Custody meals are supplied through a UK national contract which provides a variety of meals that have a minimum calorific value, meet optimum nutritional and dietary requirements, in line with HMIP recommendations, and address individuals' medical condition, special dietary requirements and religious and moral beliefs.

5.7.7 30-Day Payment

Police Scotland is committed to paying invoices within 30 days from receipt of a valid invoice, unless otherwise agreed as part of the contract, and so far as reasonably practicable.

Action Areas

- Purchase-to-pay policy and procedures are to be upgraded and modernised by the end of the Financial Year 20120-2021 to move to 95% compliance with 30-Day Payment Guidance

In addition, it is considered that, for the benefit of Police Scotland, the supply chain and the community, sub-contractors and sub-sub-contractors should also ensure that their suppliers are paid within 30 days wherever reasonably practicable. Where practicable, Police Scotland will ensure prompt payment throughout the supply chain, through tender and contract processes.

6. Action Areas and Progress Updates

6.1 Summary

The following is a summary of the three-year procurement strategy and progress at the end of Year 2, 2018-2019:

Business Area	3-Year Action Area	2017-2018 Update	2018-2019 Update	2019-20 Update
ICT, Specialist Crime Division & Forensics	ICT Operational Support	Re-organised to provide resilience & flexibility	Maintained	Being considered within the procurement team TOM workstream in the Procurement Improvement Plan
	Review Cyber, Forensics & Surveillance Contracts	Target March 2019	Complete	
	Complete March 2019 Contracts	-	Complete	
	Assess 3P Assurance	-	Target Q2 2019-2020	
	Complete Automated Number Plate Recognition (ANPR) Procurement	-	Contract Awarded Established bureau by the end of 2018/19.	
	Commence procurement of digital ICCS solution	-	Contract Awarded	
	Approve mobile policing approach and commence procurement	-	Contract Awarded Year 1 commenced January 2019	

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Business Area	3-Year Action Area	2017-2018 Update	2018-2019 Update	2019-20 Update
	Commence procurement and roll-out of enhanced digital forensic infrastructure	Procurement completed. Installation planned for 2018/19	Ongoing installation	
	Complete Payroll Procurement	Contract Awarded	Now into Year 2	
Corporate & Estates	2017-2019 Transformation Support Contracts	To Schedule	Complete	
Operational & Fleet	Justice Sector Sign Language Contract	-	Complete in Q3	
	Vehicle Telematics Contract		Complete in Q1	
Procurement Target Operating Model	Review & begin implementation 2018/20	-	Review started	Review ongoing
Commercial Excellence	Deliver cumulative cashable saving of £11.4 m over the 5-year period from October 2017	Savings of £336,000 delivered	Savings of £865,000 at end of March 2019 and benefits tracking established	Programme Closed, benefits to be tracked within overall procurement benefits reporting
	Enhance Procurement capability	Training plan in place	14 days' training delivered	Training delivered, Procurement Improvement Plan work ongoing to assess capability under the Scottish Government Procurement Capability Framework to direct future targeted training
	Design Contract Management Framework	-	90% complete March 2019	Framework in place, refining approach based on lessons learned during rollout.

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Business Area	3-Year Action Area	2017-2018 Update	2018-2019 Update	2019-20 Update
Processes & Systems	Establish PCS-T eTendering as preferred route	Launched	Introduction & Training Complete	
	Establish Information Sharing & Activity Tracker	-		Activity Tracker and linked Contract Register established in SharePoint
	Carry out P2P Review	Complete May 2018	-	Delayed due to COVID-19, rephased for delivery starting in 2020/2021
	Implement P2P Programme	-	Commenced March 2019	Delayed due to COVID-19, rephased for delivery starting in 2020/2021
	Use Standard Templates	-		Development Complete
Contract Management	Establish Contract Register		-	Complete
	Complete Design	-	Programme started	
Consultation & Engagement	Introduce Sourcing Strategies	Introduced	Completed for all regulated procurements	
	Embed Sourcing Strategies in Procurement Governance	Complete	Complete	
Equal Treatment & Non-Discrimination	Advertise all relevant contracts via PCS	Complete	-	
Transparency & Proportionality	Reduce NCA contracts below 5% of volume	4% in 2017-2018	6.7%	Improved diligence on use of NCA procedure and oversight by the SPA.
	Embed Sourcing Strategies for regulated procurements	Launched	On target	Complete for all procurements over £5k
	Publish Annual Procurement Report	-	Published for 2017-2018	Published for 2018/2019 and approved for publication for 2019/2020

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Business Area	3-Year Action Area	2017-2018 Update	2018-2019 Update	2019-20 Update
Community Benefits	Include in Sourcing Strategies	Commenced	Soft FM Contract outlined in Annual Report	
	Include in Tender Evaluation by end 2019-20	-	Commenced	Included where relevant as determined in sourcing strategies
	Include in Contract Management in 2019-20	-	Commenced	Included where relevant as determined in sourcing strategies
Fair Work & Living Wage	By the end 2019-20, include in award criteria in all appropriate contracts	-	Within Sustainable Procurement in Sourcing Strategies	Included where relevant as determined in sourcing strategies
Health & Safety etc.	Include in Sourcing Strategies by mid-2018-19	-	Complete	
	Include in Contract Management by end 19/20	Ground work	Design commenced	Included where relevant as determined in sourcing strategies
Fair & Ethical Trading	Include in Sourcing Strategies by mid-2018-19	-	Complete	
	Include in Contract Management by end 2019-20	-	Design commenced	Included where relevant as determined in sourcing strategies
Payment Performance	95% Compliance with 30-Day Payment Guidelines	-	Design commenced	To be measured following implementation of improved P2P processes.

Appendix A – Applicable Legislation

The following is a list of the main legal requirements to which regard may have to be had during the procurement process:

- The Public Contracts (Scotland) Regulations 2012
- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- Police and Fire Reform (Scotland) Act 2012
- The Procurement Reform (Scotland) Act 2014
- Bribery Act 2010
- Human Rights Act 1998
- Equality Act 2010
- TUPE - Transfer of Undertakings (Protection of Employment) - Regulations 2006, as amended by Collective Redundancies and
- Transfer of Undertakings (Protection of Employment) Regulations 2014
- The Employment Relations 1999 (Blacklist) Regulations
- Trade Unions and Labour Relations (Consolidation) Act 1992
- The Waste Electrical and Electronic Equipment Regulations 2006
- The Construction (Design and Management) Regulations 2007
- Data Protection Act 1998
- Freedom of Information (Scotland) Act 2002
- Health and Safety at Work Act 1974

Appendix B – Stakeholders Consulted in the Strategy Development Process

The following is a list of the internal stakeholders consulted as part of the strategy development process:

- Finance Transactions Lead
- Cyber Capability Lead, Detective Superintendent
- Technical Surveillance Lead, Detective Chief Inspector
- ICT Heads of Service
- Forensic Services, 2026 Programme Lead

Appendix C – Glossary of Terms

Term	Definition
ANPR	Automatic Number Plate Recognition
BAU	Business as Usual
BPI	Best Practice Indicator
BTP	British Transport Police
C3	Contact, Command & Control
CHIS	Covert Human Intelligence Sources
DDICT	Digital, Data & ICT
DEPP	Digitally-Enabled Policing Platform
DPP	Demand, Productivity & Performance
DNSP	Direct Network Service Provider
DPS	Dynamic Purchasing System
ERP	Enterprise Resource Planning
ESMCP	Emergency Services Mobile Communications Programme
ESN	Electronic Serial Number
ESPD	European Single Procurement Document (Scotland)
EY	Ernst & Young
FBC	Final Business Case
FM	Facilities Management
GO Awards	<i>Government Opportunities</i> (GO) Awards for Excellence in Procurement
HMIP	Her Majesty's Inspectorate of Prisons
IBC	Initial Business Case
ICCS	Integrated Communications Control System
ICT	Information & Communications Technology
ID	Identity
ITT	Invitation to Tender
LAN	Local Area Network
NCA	Non-Competitive Action
NEPO	North East Procurement Organisation, the professional buying organisation of the local authorities in the north east of England
OBC	Outline Business Case
P2P	Purchase-to-Pay
PCS	Public Contracts Scotland

Term	Definition
<i>Policing 2026</i>	The <i>Policing 2026</i> programme is a collaboration between Police Scotland and the SPA that will ensure Scottish policing continues to deliver excellence in a continually changing world
SME	Small or Medium-Sized Enterprise
SOBC	Strategic Outline Business Case
SPA	Scottish Police Authority
TBC	To be confirmed
TCSS	Transforming Corporate Support Services
Third Sector	The Voluntary, Community & Social Enterprise (VCSE) Sector
TS21C	Technical Surveillance for the 21 st Century