



National Library of Scotland

Procurement Framework

June 2010

Introduction

Procurement is the process adopted for the purchase of goods, services and construction related activities. How and what we procure is becoming increasingly important in our ambition to achieve greater efficiencies in a time of economic constraints while still meeting the client/user demand for high quality and effective services.

Procurement, along with budgets, is a devolved responsibility within NLS. Budget holders authorised to procure goods, services or works need to do so within an agreed framework fully endorsed by the NLS Senior Management Team. The strategy outlined in this document will provide the basis of the Procurement Framework. This framework, along with the related action and improvement plan and timetable for implementation, will only be successful if they receive top-down support.

This framework outlines the key approaches required by NLS to achieve these procurement aims.

Principal objectives within Procurement Framework

NLS aims to ensure that all procurements achieve value for money, maintain transparency and accountability in all procurement decisions and take full account of the wider economic, social and environmental responsibilities within its processes. To do this NLS will:

- Deliver better quality services which meet the needs of NLS.
- Achieve greater value for money by collaboration with other National Collections and appropriate partners.
- Achieve greater value for money by adherence to appropriate procurement policies and procedures.
- Engage with a wide variety of organisations for the supply of our requirements. Potential lines of supply will include internal provision, as well as other public bodies, private companies, not-for-profit organisations and the voluntary sector.
- Deliver economic, social and environmental benefits through out our procurement approach.
- Improve equality of opportunity for businesses who wish to work with us.
- Improve transparency and accountability for the procurement decisions we make.

Procurement objectives

- To obtain greater value for money through the use of appropriate procurement strategies.
- Investigate [Scottish Government](#) and [Central Government Centre of Procurement Expertise \(CGCoPE\)](#) Collaborative A and B contracts before entering into a new category C1 or C procurement process.
- Achieve continuous improvement in all categories of procurement expenditure by putting in place mechanisms for the measurement of performance and by supporting these mechanisms.
- Realise economic, social and environmental benefits through our procurement activities.
- Use our buying power to create competitive markets where these do not currently exist.
- Utilise planning processes effectively to ensure that improved value for money can be obtained.
- To work closely with partner organisations to ensure the delivery of better value for money solutions.

Procurement policy context

NLS, as a Non-Departmental Public Body within the public sector, has a legal obligation to comply with European Union Procurement Directives, as implemented through Public Contracts (Scotland) Regulations 2006 and the EU Remedies Directive.

NLS Procurement policies and guidance reflect current public policy and guidelines as advised by [Scottish Government's Scottish Procurement Directorate](#).

Value for money

NLS will continue to seek improved value for money through appropriate procurement strategies.

By 31 March 2011, NLS will seek to introduce a challenge process to contrast the options, where appropriate, of outsourcing versus the internal provision of services.

We will continue to work with colleagues in Procurement Scotland, CGCoPE and National Institutions Shared Services Group to deliver procurement savings through collaboration.

There is a requirement to provide regular management reports on commodity based expenditure to budget holders and also to monitor savings made using collaborative contracts. The existing internal systems do not offer this service, but the expected adoption of the MS Dynamics GP finance package across the Library in 2010/2011 would see it implemented as a standard process.

Training and development

NLS will seek to ensure that all budget holders with authority to procure goods, services or works are appropriately trained in procurement policies and procedures.

Professional staff within Estates Division will deal with all works / construction related procurement processes.

Annual EU procurement training will be offered to relevant personnel.

Managing risk

The risks involved with the procurement process can best be placed into three categories: legal, reputational and political. NLS will provide the necessary resources, either internal or external, to assist with mitigating these risks through ensuring professional knowledge and working practices are adopted, and by seeing that public policy and legislation are adhered to.

Updated terms and conditions (T&Cs) of contract for goods, services and non-works consultants, based on the most recent Scottish Government standard T&Cs, will be made available on the internet. By 31 March 2011 specific T&Cs will be developed for the Information Services department and consideration will be given by Estates Division to establish appropriate T&Cs for low-value, construction-related procurements.

NLS will continue to ensure procurement processes are transparent, equitable and reflect best practise.

At present over 25% of the NLS workforce holds budgets, and many of these budgets are very small. The number of individuals holding budgets at the Library will be reviewed by 31 March 2011 with the intention of reducing the size of the group to a satisfactory minimum. The number of authorised individuals should match the need for operational flexibility, while reducing the costs and risks associated with maintaining inflated numbers of budget holders where there is no business need.

Corporate Social Responsibility

The commitment of NLS to the discharge of its Corporate Social Responsibility (CSR) will be incorporated into the NLS procurement processes. The three main strands are Equal Opportunities, Sustainability and Environmental policy.

With regards to equal opportunity, NLS will work to ensure our policies are, as far as possible within our operational constraints, non-discriminatory and inclusive in respect of working with Small and Medium Sized Enterprises (SMEs), Woman Owned Businesses and Enterprises (WOs), and Disabled Owned Businesses and Enterprises (DOs).

Our policies aim to ensure equal and transparent treatment of suppliers throughout the procurement process, and we will strive to promote the formulation of contracts that will facilitate participation by SMEs, WO and DOs and third-sector organisations, whilst achieving the best value for money solution. With regards to future major construction projects when preparing contract specification we will ask the question 'Can we include a Community Benefit Clause?' (John Swinney, Cabinet Secretary for Finance and Sustainable Growth, 19 March 2010.)

To further this aim NLS is committed to ensuring these groups understand how our tender process works, and can access opportunities to bid for low-value contracts. In

this respect, by 31 March 2011 guidance will be made easily available on the [Library website](#). We will regularly publish our list of forthcoming tenders and projects and we will continue to support events for suppliers wishing to understand our processes in more detail.

In line with public sector policy in Scotland, we will ensure that all low-value contracts, falling below the EU tender thresholds for goods and services (£100,000) and construction (£3.9m) and down to value of £50,000, will be advertised using [Public Contracts Scotland](#).

Sustainability is best defined as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. NLS will develop its procurement policies, in so far as permitted by statute, to reflect the public policy agenda for this area. NLS will carry out a self assessment against the flexible framework with Scottish Sustainable Procurement Action Plan and produce an achievable delivery plan.

With regard to environmental issues, NLS will ensure that budget holders are aware of specific policy advice on how environmental and equal opportunities criteria can be incorporated within tender selection criteria, as well as in contracts specifications.

Transparency and equality

We are committed to the transparency of the procurement process and the equal treatment of all prospective suppliers within NLS procurement activity. In this respect we will adopt the standard Scottish Government Prequalification Questionnaire for all advertised contracts and objectively assess the capacity of organisations and suppliers to deliver our requirements.

All NLS procurement processes will be fully documented and will provide an audit trail that will act as the basis for providing debriefing on procurement selection and likely procurement challenges and for answering of any enquiries under the Freedom of Information Scotland Act (FOISA) and for the provision of feedback to suppliers.

Should suppliers have issues with our procurement process, we are fully supportive of the Scottish Government Single Point of Enquiry as a route to resolving issues that may arise.

NLS will sign up to the Supplier Charter and Single Point of Enquiry by 30 June 2010.

Continuous improvement to processes and procedures

NLS is committed to ensuring the policies and procedures for procurement are updated regularly in line with guidance issued by Scottish Government's Scottish Procurement Directorate and that this information is quickly and effectively disseminated to NLS budget officers.

E-procurement and e-tendering

NLS Finance Division is leading in the development of a new finance system that will also provide an online ordering system to be used by all Library budget officers. This system will reduce the risk of services being procured without appropriate T&Cs, ensure a greater degree of compliance and eliminate areas of maverick spend.

The NLS will continue to use procurement cards for low-value purchases.

By 30 September 2010 NLS will fully adopt the [Public Contracts Scotland](#) quick quote facility for all procurements between the values of £10,000-£50,000. In addition, by January 2011 NLS will aim to advertise all above-threshold low-value procurements and EU threshold procurements and adopt the [Public Contracts Scotland](#) electronic tender post box. Letters will be sent to all incumbent suppliers advising them of the change to current procedures by 31 August 2010.

Supplier performance

NLS is committed to ensuring that the quality of the goods and services purchased on its behalf are appropriate to its requirements. By 31 March 2011 NLS will undertake to set up a central database of all awarded contracts. In addition NLS will consider the development of Intranet-based tool for supplier performance evaluation. This will allow budget holders to review the past performance of suppliers prior to any procurement process, addressing areas of non-performance of suppliers, and developing suppliers whose performance fall short of expectations.

Procurement performance

NLS needs to incorporate Best Practise Indicators (BPIs) into its procurement processes for the measurement of procurement benefits. Consideration will be given to reviewing the Best Practice Indicators for Public Procurement in Scotland and producing a reduced format more suitable to a small Non-Departmental Public Body. BPIs to be available for use in 2011/2012.

Professional support to NLS budget holders

All budget holders will be made aware of the areas of expertise that exist within the NLS as a first port of call for procurement advice and guidance.

If the relevant procurement expertise is not available within NLS, Senior management will encourage budget holders to utilise the expertise available within Scottish Government, Scottish Procurement Directorate and CGCoPE, and if necessary obtain legal advice from its current legal services commissions.

Life-cycle costs

All budget holders will be given formal training and guidance to ensure that they are aware the life-cycle costs of individual procurements. Tenders are to be evaluated to ensure that the whole-of-life-cycle costs associated with purchases are fully understood and factored into the decision-making process. This process will take into account acquisition costs, running costs, depreciation, disposal costs and / or resale values in order to deliver improved value for money.

Procurement collaboration

NLS will remain fully engaged with the collaborative efforts of both Procurement Scotland and CGCoPE and will participate in national forums and user intelligence groups, where appropriate.

Shared services

NLS will continue to develop local collaborative procurements with members of National Institutions Shared Services Groups (NLS, National Museums Scotland, National Galleries of Scotland, Royal Botanic Gardens Edinburgh, and the Royal Commission on the Ancient and Historical Monuments of Scotland) following on from the successful completed procurements for 'work design consultants' and 'safety management systems software'. Consideration is to be given to procurement of exhibition designers with National Museums Scotland and a proposed digitisation framework with other similar-minded organisations and Institutions.

NLS will continue to work in with the Scottish Digital Library Consortium.

Timescales

It is aim of NLS to address the majority of these issues by 31 March 2011. An action and progress plan with devolved areas of responsibility will be produced on formal endorsement of this procurement strategy by the Senior Management Team of the Library. The progress plan is to be updated quarterly and reported to Senior Management Team.

Exclusions

Purchases from collection development funds

Due to the specific nature of these purchases the annual funding for collection development, apart from use of appropriate terms and conditions of contract, is excluded from this Procurement Framework document.

Duncan Campbell
Director of Corporate Services

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