



PROCUREMENT PLAN 2011 to 2014

1. DOCUMENT APPROVAL/AMENDMENT RECORD

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Foreword by Chief Executive

With the McClelland Review of Public Procurement in Scotland, the profile of procurement as a driver of efficient government has never been higher. Scottish Government has developed the Procurement Capability Assessment (PCA) Programme to serve as a mechanism which supports organisations continuous improvement efforts in the field of procurement. The Programme supports the sharing of best practice and allows organisations to take stock, measure how they have improved and develop an action plan for the coming year. Disclosure Scotland's Procurement Plan has been developed in response to the last assessment. Our 2011 to 14 Corporate Plan, launched this year, recognised that improvements to procurement practices will deliver better value for money which this Procurement Plan supports. Disclosure Scotland welcomes the PCA Programme and will continue to develop its procurement capability through emerging recommendations.

This Plan sets out our vision for the transformation of our approach to procurement and contract management over the next three years in support of our Corporate Plan. I therefore believe it places procurement at the heart of our activity ensuring that over time we can drive efficiencies across our activities allowing us not only to deliver better value public services but also to be better placed to cope with ever increasing demands placed on our business.



David Patel
Chief Executive

CONTENTS

- 1. Background to Disclosure Scotland4**
- 2. Procurement Context.....5**
- 3. Our Corporate Plan (2011 to 14).....6**
- 4. Our Profile of Expenditure..... 7**
- 5. The McClelland Review 10**
- 6. Vision for Procurement..... 11**
 - 6.1Delivering the Vision 11
 - 6.2Policy and Procedures 11
 - 6.3Commodity Plan Development and Implementati 12
 - 6.4 Supporting Infrastructure 12
 - 6.5 ... Sustainable Procurement 12
- 7. Next Steps..... 15**
- 8. Implementation Plan 17**

1. Background to Disclosure Scotland

We are an Executive Agency of the Scottish Government and we issue basic Disclosure Certificates to any UK customer who applies, showing any offences they have that are not expired under the Rehabilitation of Offenders Act (1974). We provide more sophisticated in-depth services, enhanced disclosures and PVG scheme memberships, for those who are doing special types of work that the law says require a much higher degree of transparency about past criminal history.

Our core function is to contribute to the safety of the vulnerable in our society by providing criminal history information to organisations and potential employers to assist them to make safer and more informed recruitment decisions.

Vision

To help to make Scotland's communities safer and stronger and to help the economy grow and become more prosperous because we assist employers get the right people into jobs, and job seekers to attain work.

Values

To help protect children and protected adults by providing an accurate and responsive service to support organisations recruiting people into positions of trust.

Main Tasks To:

- Deliver for customers and stakeholders by meeting our public performance target and continuously improving the quality and efficiency of our service;
- Improve operations by focusing on our customers and stakeholders;
- Improve the organisation's effectiveness by valuing the people who work for us ;
- Successfully deliver the provisions of the PVG Act; and
- Seek ways to be innovative to deliver ever-better services and value against a changing economic and political backcloth..

For further information about Disclosure Scotland, visit our website at www.disclosureScotland.org

2. Procurement Context

There is a clear dependency between our suppliers' and our own performance.

This Procurement Plan is designed to deliver best value and is one of the key strands of our Corporate Plan.

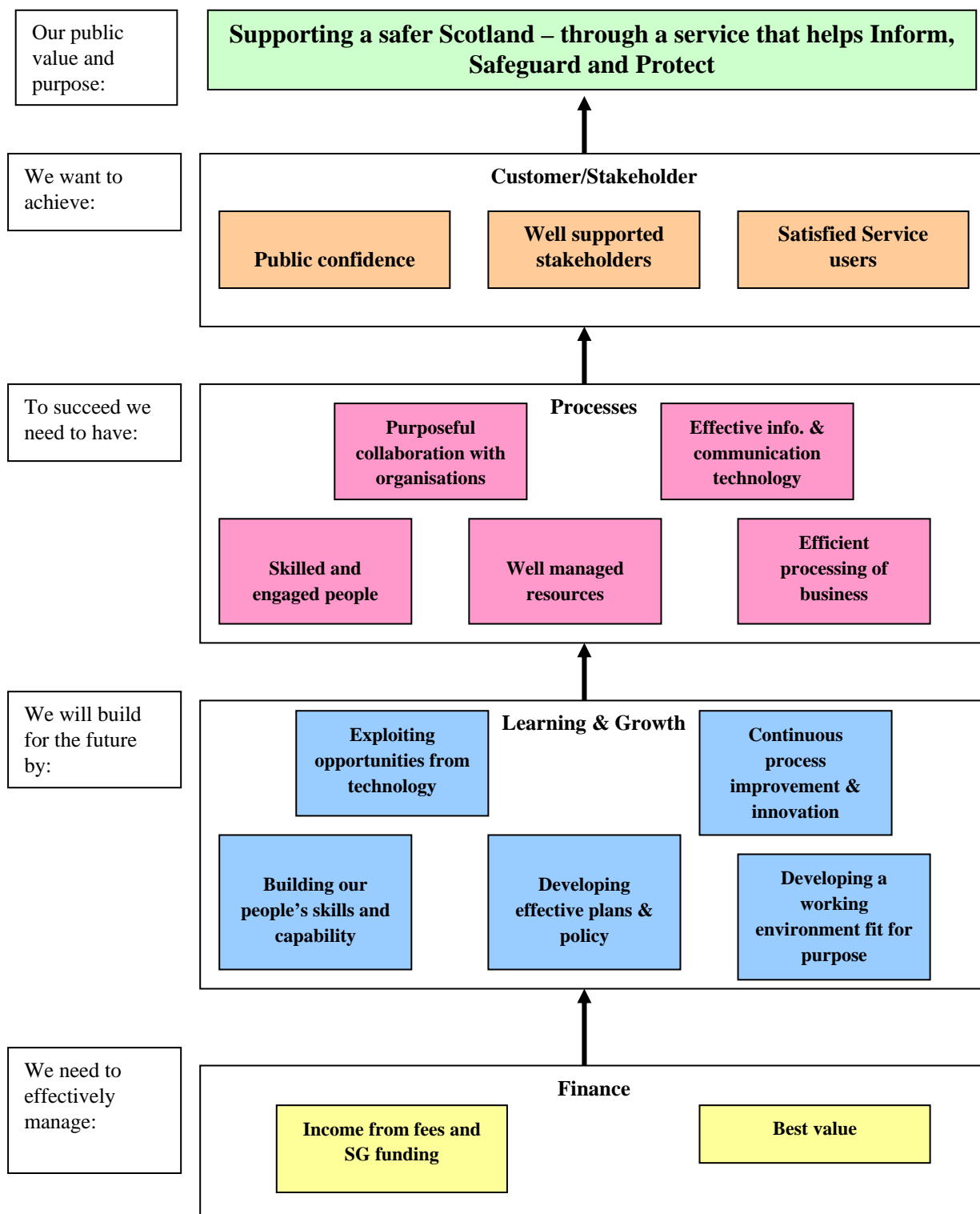
In 2010 to 11, 64.7% (16.7m) of our total costs related to procured goods and services, and 72.5% of this (£12.1m) was for services provided by BT Global relating to receiving and inputting the disclosure applications along with producing and issuing certificates.

In order to be truly effective, reflecting the integral nature of our suppliers' and our performance, this Procurement Plan has been designed to retain adequate flexibility to allow it to compliment;

- ▀ Our Corporate Plan;
- ▀ Our profile of expenditure; and
- ▀ The McClelland programme of procurement transformation across the Scottish public sector.

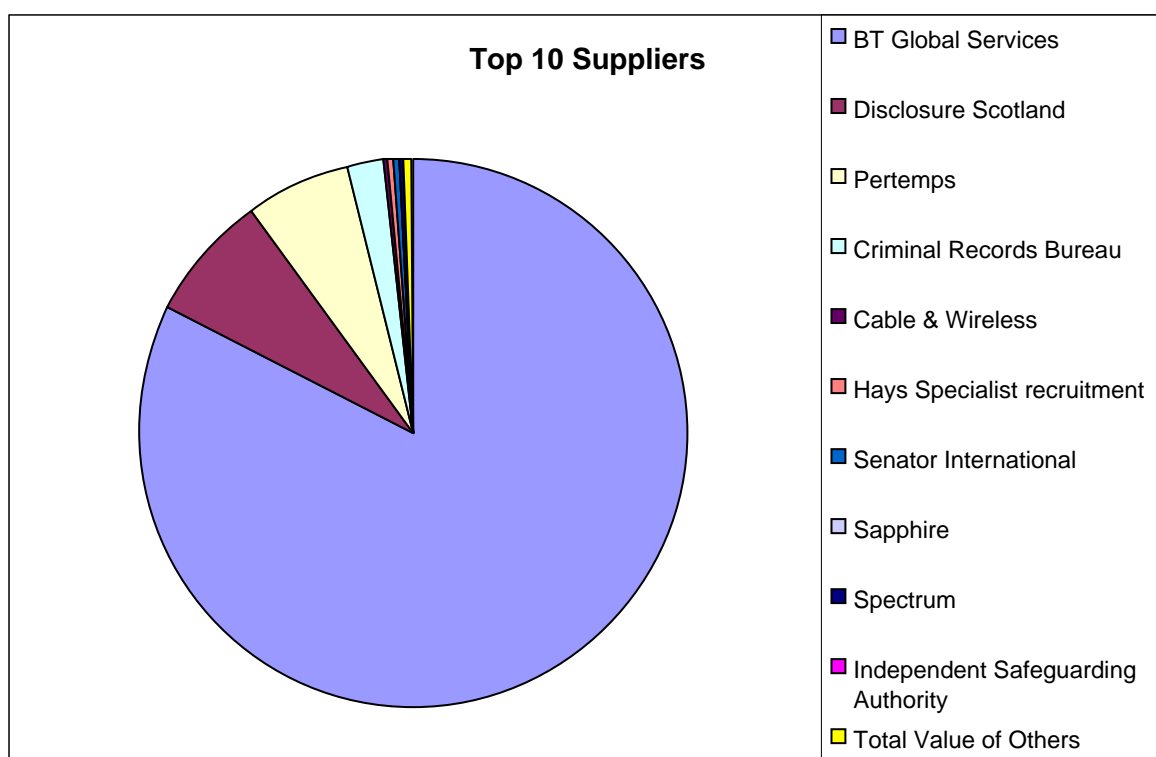
3. Our Corporate Plan (2011–2014)

Disclosure Scotland has developed a **Strategy Map** to help illustrate how the actions that we take support our core purpose and commitment to our stakeholders, and users. The Procurement Plan’s aim is to support the Corporate Plan Strategy Map



4 Our Profile of Expenditure

Our current expenditure is concentrated on a relatively small range of commodities, our transaction with our business partner accounting for the majority of our procurement spend. Our Procurement Plan will implement a “total cost” approach to procurement that will target efficiencies across the supply chain from where appropriate.



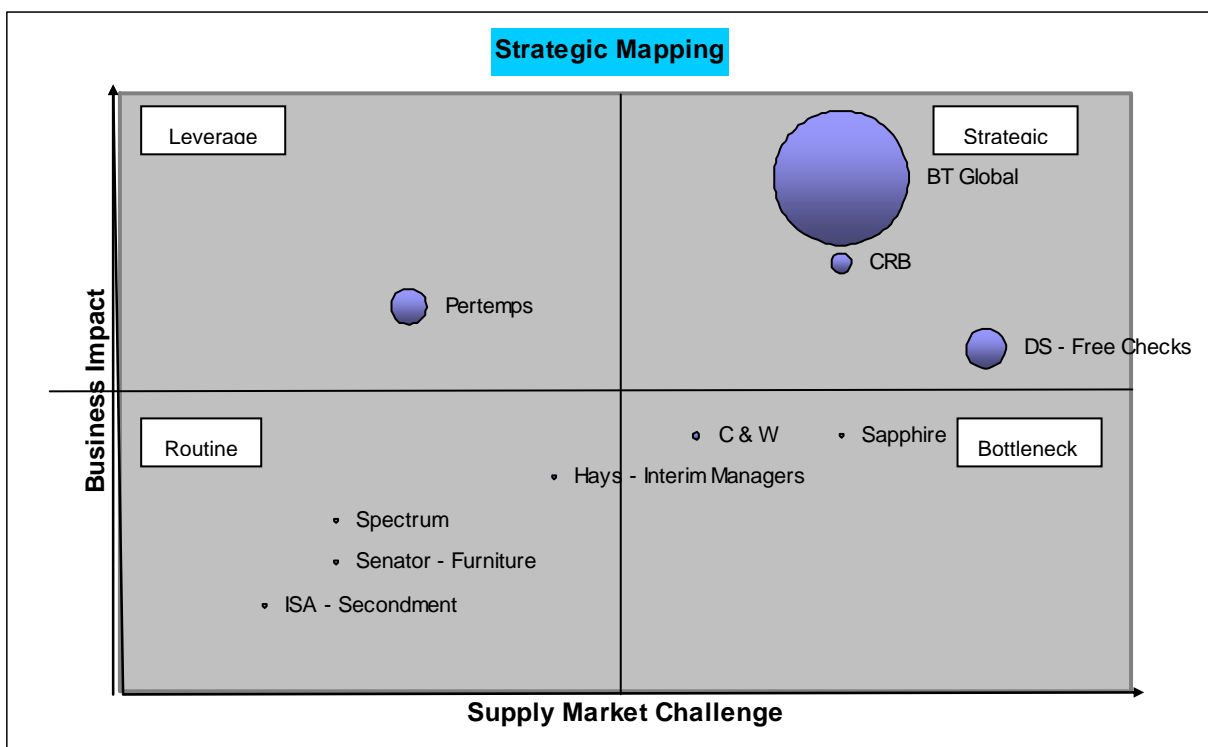
The goods and services that we buy can be categorised as:

- “Programme” expenditure that is required to carry out the principle duties of Disclosure Scotland. In 2010 to 11, this accounted for more than 98% of our third party expenditure;
- “Back Office” expenditure that is required to support the staff in carrying out their duties, accounting for less than 2% of our third party expenditure in 2010 to 11.

The differing characteristics of the goods and services that we buy and their potential impact on our business performance clearly indicates the necessity for an intelligent, commodity based approach to procurement planning in order to deliver overall best value and strategic fit for the Agency.

To begin this process, our top ten suppliers during 2010 to 11 have been assessed in this Kraljic matrix. This tool allows us to plot each commodity/supplier in terms of business impact (how their performance impacts on how the Agency delivers) against the market challenge (the availability of quality suppliers to deliver the commodity). The size of the bubble illustrates the proportion of our procurement spend during 2010 to 11.

Strategic mapping will help us develop the flexibility to enable an appropriate approach for each commodity we procure.



Strategic Commodities are those which carry a high business impact and a high supply risk. These commodities are strategic to Disclosure Scotland's performance. Specifications are complex and supply sources are limited. Our relationships with these suppliers are key; they should be managed, structured and integrated into both organisations.

Leverage Commodities are those which carry a high business impact but there is a low supply risk. There is a strong supplier base and therefore the buyer can use its full purchasing power. In terms of Disclosure Scotland's commodity profile, the temporary staff contract is a call off from a Framework contract and value is driven in that context.

Bottleneck Commodities are those which carry a low business impact and a high supply risk. Typically these are very complex specifications and supply sources are limited. The approach in this context would be to 'over order' when the commodity is available.

Routine Commodities are those which carry a low business impact and a low supply risk. Typically there are many existing alternate products of low value. Recommended purchasing approaches would be to use standardised products and optimise order volume and inventory.

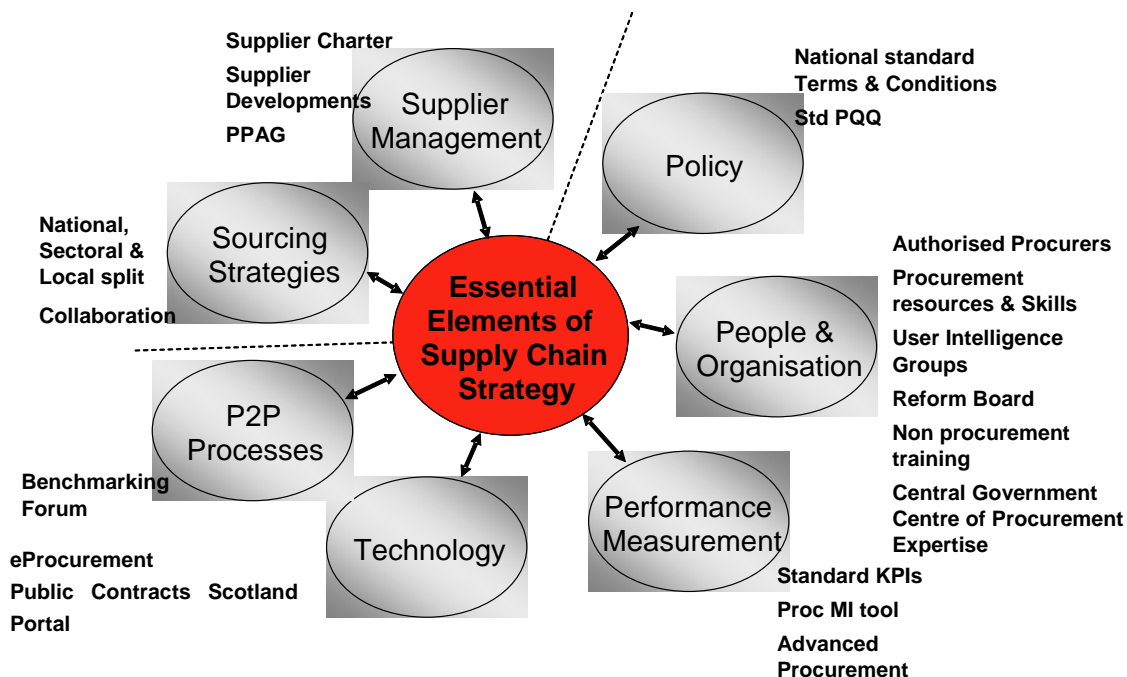
This matrix can also be usefully applied to mapping Disclosure Scotland's profile as a customer with its suppliers and can be used to determine how we should seek to drive value in our relationships with our suppliers.

Service Level Agreements

In addition to standard contractual relationships, Disclosure Scotland manages access to police information sources and IT infrastructure through service level agreements. This expenditure would fall into the 'Programme' category above and within that category, spend on SLAs accounts for 12% (£2m).

5 The McClelland Review

The McClelland Review of Public Procurement in Scotland was published in spring 2006. It identified significant opportunity to realise financial savings in excess of £400m in 2008/09 and £600m in 2009/10 through increased effort in collaboration. To achieve the benefits, a far reaching programme of procurement transformation has been initiated and overseen by a Reform Board reporting to Ministers. A major initiative of the programme is the development of National and Sectoral “Centres of Expertise” through which collaborative agreements will be established. A range of other developments are in process and designed to establish standards and support in the very foundations of procurement organisation within all public sector organisations. They include the adoption of standard national Terms and Conditions, Pre-Qualification Criteria for routine purchases and the adoption of a Supplier Charter. The McClelland Review will increasingly influence how the Agency develops its approach to procurement.



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This report can be downloaded from the Scottish Government at [McClelland Review](#)

6 Vision for Procurement

Our vision for the future is one where the approach to procurement and contract management is fully integrated into our business strategies and is recognised as demonstrating “improved performance” across the range of McClelland performance indices.

The vision for a modern DS will translate into a modern supply chain that is flexible and responsive to our needs with a strong focus on:

Supporting the Corporate Plan

Ownership and embedding Policy and Procedure (including DPA, PJ, PCS and Quick Quote)

Increasing Procurement Capability within DS (lessons learned feedback and training and skills)

Understanding the Procurement Spend (Commodity Profiling and Contracts Register)

Pro-active Procurement Waveplan achieving best value

Raise the profile of Sustainable Procurement in DS;

Introduce appropriate contract and supply management

Explore opportunities for reserved contracts

6.1 Delivering the Vision

The successful delivery of the vision for procurement will entail a programme of work for DS that shall be integrated into the annual business planning process, and involve four main themes of activity:

- Policy and procedures
- Commodity Plan Development and Implementation
- Supporting Infrastructure

▮ Embedding Sustainability

6.2 Policy and Procedures

We will establish a policy and set of procedures in line with Scottish Government guidance, detailing designated authority levels, business case clearance where appropriate and permissions to procure. The procedures will ensure a clear separation of duties, an audit trail of procurement decision making, and that only those with both the authority to procure and appropriate training be permitted to procure on the Agency's behalf.

6.3 Commodity Plan Development and Implementation

We will develop and implement commodity based strategies by;

- ▮ Conduct a review of all major commodities and develop a procurement wave plan over the 2011 to 12 reporting year
- ▮ Place a strong emphasis on commercial contract management for all major suppliers and commodity groups. Ownership of commodities and resulting contracts, including the management of risk will be assigned to trained and supported staff;
- ▮ Establish commodity savings targets. Overall, we have identified an Agency-wide cost reduction target of 5–10% by 2014;
- ▮ Establish a balanced scorecard approach for the routine measurement of supplier performance will be developed and implemented alongside commodity plans

6.4 Supporting Infrastructure

We will establish a firm foundation for success in supporting the procurement process by:

- ▮ Appointing the Head of Corporate Affairs and Policy Services as the Senior Management Team and Strategic Board level Procurement Champion to own the design and implementation of this Plan;

- ▮ Ensure regular review of our procurement Plan to ensure it meets the ongoing requirements and developments of the McClelland programme of procurement transformation;
- ▮ Using the EASEbuy systems for the transactional element of all procurements;
- ▮ Adhering to the principles of the national Supplier Charter, including a commitment to advertise all contract opportunities in excess of £40,000 lifetime value;
- ▮ Adopt the Procurement Journey for all Procurements
- ▮ Where there is a supplier base for a particular commodity on Public Contracts Scotland, utilising that portal for all procurements in excess of £1,000
- ▮ Ensuring all staff with budget responsibility (DFA) or procurement authority (DPA) undertake (as a minimum) the online HM Academy Introduction to Procurement Law Module 1 and receive a session on DS procurement policy from the Business Manager
- ▮ Where an individual staff member has responsibility for contract management, ensuring they undertake relevant training from Scotland Excel or another recognised provider.
- ▮ Undertaking quarterly reviews (or sooner if an issue arises) of the DS Procurement Guidance to ensure it remains fit for purpose
- ▮ Continue to input BPI information to the Procurement Hub on an annual basis.

6.5 Embedding Sustainability

The Scottish Government has set itself a Purpose:

"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."

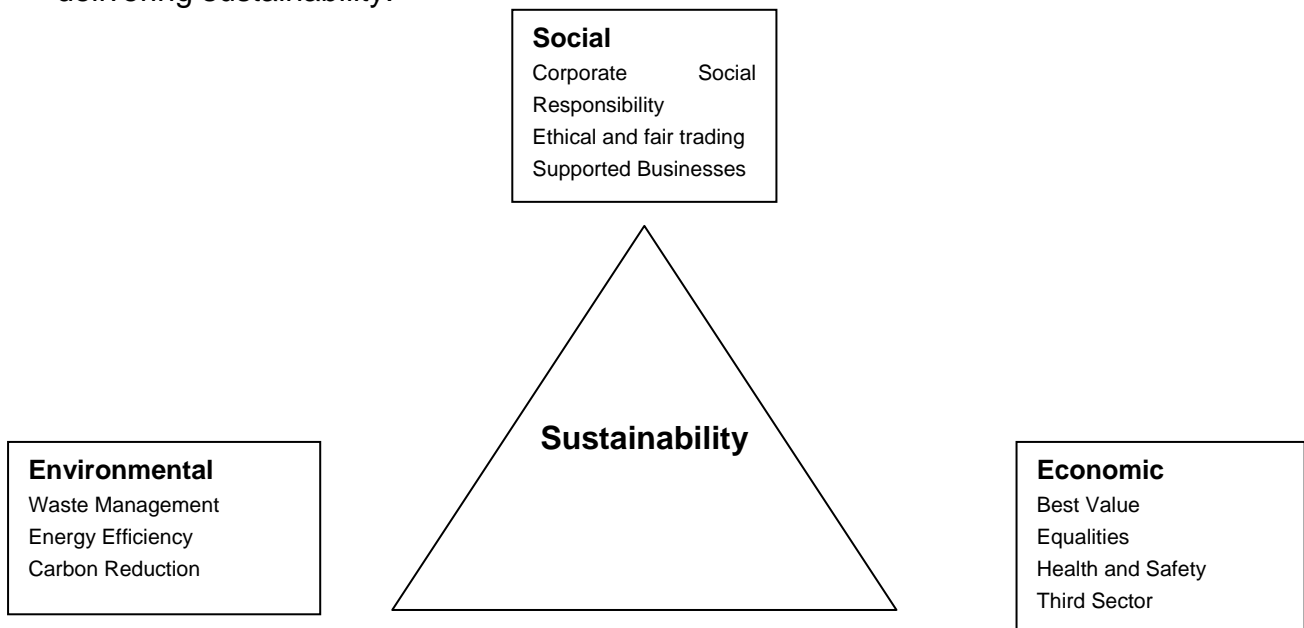
In October 2009, the Scottish Government published a Sustainable Procurement Action Plan which recognised that sustainability is at the heart of that Purpose and aimed to help public bodies embed sustainability in their corporate culture.

Sustainable procurement can be defined as:

"A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment"

Sustainable procurement should address the social, economic and environmental implications of product and service choices. It should embrace whole life costing and address how aspects such as design, manufacturing materials, operating costs, energy consumption, waste and recycling options support a more sustainable approach

The diagram below illustrates the interdependencies of these three factors in delivering sustainability.



The Action Plan sets out 10 steps to delivering Sustainable Procurement:

- Commitment within the organisation
- Making the commitment public
- Organisational buy-in
- Benchmarking and progression
- Prioritising
- Specifying sustainably
- Sustainability in the procurement process
- Working with suppliers
- Measuring performance
- Publicising your successes

To date the Agency's approach to sustainability has been piecemeal but Disclosure Scotland will use this framework to develop its own tailored Action Plan by the end of the 2011 to 12 reporting year.

7 Next Steps

This Plan sets out the vision and direction for procurement in DS to 2014.

Our immediate next steps are to:

- ▶ Appoint a Procurement Champion;
- ▶ Agree delegated authority levels;
- ▶ Establish a procurement policy and set of procedures;
- ▶ Develop a Contracts Register;
- ▶ Develop a Delegation and Training Register;
- ▶ Launch the procurement Plan, policy and procedures with relevant staff;
- ▶ Develop wave plan and identify commodity owners, thereafter;
 - Ensure they have relevant training and support from an individual with delegated purchasing authority
 - Develop an Implementation Plan
 - Agree performance metrics
 - Introduce Balanced Scorecard Reporting
- ▶ Develop and publish a Sustainable Procurement Action Plan

These activities will be completed by end March 2012 and this procurement Plan will be updated thereafter.

The Plan outlines how the Agency will approach ongoing procurement needs but most significant procurement issue will be the strategic planning process in the lead

up to the expiry of the PPP agreement with BT Global on 29 April 2014. As this is a high risk/high value commodity, the procurement approach will be developed separately but in parallel to the commodity wave plan

There are a range of options from retendering to establish a partnership arrangement, through to sourcing a managed services arrangement through an existing framework agreement. Consideration of these options will determine the procurement approach in terms of this most critical commodity. For other commodities a wave plan will be developed to manage the Agency's procurement activity.

In terms of the expiry of the BT Global contract, Disclosure Scotland has developed an outline timetable

End 2011	Outline models, quantify resource implications (including consideration of secondment of a Procurement professional from SG)
Q1 2012	Detail business needs and approach and prepare options/recommendations/outline business case for the Strategic Board
Q2 2012	Secure resources and agree timetable
Q3 2012	Begin procurement process

8 Implementation Plan

The table below illustrates how we will implement this Plan. The implementation tasks will be carried out by the business year end 31 March 2012. At that point the Plan will be revisited and the key tasks for the remaining 2 years will be documented and published. The plan sets out our broad approach for 2011 to 2014 but in the context of the major contract expiry, detailed planning beyond 2012 would be speculative.

