



Procurement Policy

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1. Policy Statement

The purpose of this policy is to set out the approach to procurement across SQA. Procurement is an internal part of the organisation and it is essential that internal controls, governance and process are in place to provide guidance for SQA staff involved with any procurement activity, ensuring compliance with varying statutory requirements whilst enabling SQA to meet its aims and objectives

2. Legislative requirements

As a non-departmental public body in Scotland, SQA must comply with the following Procurement legislations:

- EU Public Procurement Directive EU/2014/24/EU
- The Public Contracts (Scotland) Regulation 2015
- Procurement (Scotland) Regulations 2016, incorporating Fair Work Practice and Sustainable Procurement
- Procurement Reform (Scotland) Act 2014
- EU Remedies Directive
- Scottish Public Finance Manual

The process for procuring goods and/or services must be fair, transparent, non-discriminatory, and open to audit and accountability.

SQA, as a public sector organisation, is committed to ensuring that it does not breach any legislation and proactively promotes equality, sustainability and diversity.

SQA will only contract with suppliers who are aligned with, and can meet, SQA's standards and those set by the most current legislation in not limited to:

- Health and Safety Act 1974
- Equalities Act 2010
- Data Protection Act 2018
- Bribery Act 2010
- Freedom of Information (Scotland) Act 2002
- Modern Slavery Act 2015
- Procurement Reform (Scotland) Act 2014.
- United Kingdom General Data Protection Regulation
- EU General Data Protection Regulation (2016/679) – Check dates

3. Policy requirements

SQA will work within the conditions of the Scottish Governments Suppliers Charter. The Supplier's Charter has been signed by the SQA Chief Executive. It defines the standards that suppliers can expect from SQA and the standards that will in turn be expected of them as suppliers to the public sector.

The commitments of the charter are:

- adequate publicity for all contract opportunities
- use of standard documentation
- provision of tender debriefing to suppliers who request it

It also commits SQA in common with other Scottish Public Sector organisations to ongoing dialogue with Suppliers to achieve change.

3.1 Specifying goods and services

It is SQA's policy to consider the use of internal resources in the first instance. If the goods or services cannot be delivered in house, then an external supplier should be sourced.

A specification document should be produced detailing the essential characteristics of a requirement.

Specification formats are detailed in the procurement templates, and guidance on how to write a specification is available from the Procurement Department.

A specification should allow for a clear and precise understanding of what is required, but it should be flexible enough to allow for innovation and diversification.

A specification should be written in plain English, and should encourage:

- suppliers to diversify from the specification and offer alternatives as well as the specified product and innovation
- suppliers to use (if sub-contracting) small and medium-size enterprises and companies that are classed as supported business and factories (these are companies that have more than 30% of disabled employees or disadvantaged workers)
- suppliers to use sustainable materials in their production and to act responsibly in disposing of their waste
- suppliers to specify Fair and Ethically Trade Products, if applicable
- the use of government specified sustainable products listed under 'Government Buying Standard

SQA is committed to develop additional opportunities for SQA to contribute to the achievement of SQA's environmental objectives by:

- developing environmentally friendly alternatives to the goods or services specified
- adopting sustainable processes, goods and services
- extending sustainability improvements throughout the supply chain
- provide suppliers with feedback and assistance to improve their own sustainable performance.

3.2 Collaborative contracts

If the product must be supplied by an external supplier, SQA's policy is to use the Scottish Government or other Public Sector collaborative contracts/frameworks if suitable. The Procurement Department will provide advice on the availability and the correct use of the framework. If a collaborative contract does not fully meet the requirements, Procurement will

investigate the options available and will produce a strategy or contract plan for the best delivery method, taking into consideration the product, the market, whole-life cost, sustainability and risk.

3.3 Procurement Route

- The procurement route will be dictated by the following:
- Whether any appropriate SQA or Collaborative Contracts already exist to meet the requirement. (These may have been awarded by SQA, the Scottish Government etc.)
- The level of spend, inclusive of VAT.
- Whether the item is classed by SQA as capital expenditure.
- If the requirement is for a Qualification Development Specialist. Expenditure up to the value of £10k will be managed by the Qualifications Directorate process.
- If the requirement is **not covered** by an existing Contract, the procedure for procuring the goods will depend on its **aggregated spend over the whole of SQA for the duration of the requirement.**
- The EU aggregation rule is defined as:
 - The estimated value of separate contracts for meeting a single requirement.
 - and/or
 - Where a series of contracts or a renewable contract is entered into for goods/services of the same type during a twelve-month period. In determining whether goods/services are 'of the same type', account should be taken, for instance, of whether they would normally be ordered together and/or from the same suppliers.

The total value of the contract will determine the procurement route:

Total expenditure Inclusive of VAT	Lead role	Process	Contract Documentation required?	Timescales
Up to - £10,000	End User	Minimum of 3 written quotes. Must be available upon request, for audit purposes	NO — Purchase Order acts as contract	10-20 days
£10,000- £50,000	Procurement	Invitation to Quote (ITQ)	YES	15–25 days
£50,000 - £213,477	Procurement	Invitation to Tender (ITT) advertised on public contracts Scotland website.	YES	30 days plus
Above £213,477	Procurement	Invitation to Tender Advertised on public contracts Scotland website and in the UK Find a tender service. Greater than £500k require Board and Scot Gov approval prior to award.	YES	Minimum number of 90 days recommended

Qualification Developments only – up to £1750	Qualification Manager (QM)	Direct award to a single Qualification Development Specialist (QDS) from the approved QDS register.	Yes- Appointee Management to issue the standard contract prior to the commencement of the engagement	N/A
Qualification Developments up to £5000	Qualification Manager	A written rationale must be provided to the HoS for the selection of the QDS from the register and approved prior to engagement.	Yes- Appointee Management to issue the standard contract prior to the commencement of the engagement	N/A
Qualification Developments up to £10,000	Qualification Manager	A written rationale must be provided to the Director of Qualifications and HoS for the selection of the QDS from the register and approved prior to engagement.	Yes- Appointee Management to issue the standard contract prior to the commencement of the engagement	N/A
Qualification Developments > £10,000	Qualification Manager & Procurement	An engagement process to be agreed between the QM and Procurement.	Yes- either an Appointee Management to issue the contract, or a Commercial Contract if engaging with a company and not an individual	

All contracts with a potential spend greater than £10,000 should be agreed with the Procurement Team.

All authorisations for expenditure should be in line with the current SQA Scheme of Delegation.

3.4 Advertising

It is SQA's policy to advertise all regulated contracts on the Public Contracts Scotland website. To fulfil our legislative duties, all requirements over £213,477, are advertised on the Public Contracts Scotland website as well the UK Government "Find a Tender Service" website..

The Procurement Team is responsible for preparing and publishing these advertisements.

Advertisements published in the " Find a Tender Service " should not breach:

The rule of 'Non-Discrimination'— an advert cannot specify a contract in a way in which the objective or result is to limit the contract to domestic/local companies

The Principle of 'Proportionality' — the content cannot be more detailed than is necessary for achieving reasonable environmental benefit. (For instance, 'green electricity' can be required, but 'electricity from wind' would be considered a disproportionate specification).

3.5 Escalation

Failure to follow the requirements of this policy will result in the following:

- Tenders below £50K a report to the Director of the Business Area impacted and the Director of Finance & Corporate Services. The Director of the Business Area will have the final approval.

- Tenders above £50K a report to the Chief Executive, Director of the Business Area impacted and the Director of Finance & Corporate Services. The Chief Executive will have the final approval.

3.6 Consultancy Contracts

The engagement of Consultants should follow the procurement rules and must be authorised according to the scheme of delegation before the tender exercise begins.

Consultancy spend must be reported under the Public Service Reforms Act 2010.

SQA defines external consultancy as: *'Investigating problems, providing analysis or advice, or assisting with the development of new systems, new structures or new capabilities within the organisation.'*

This does NOT include contractors working on core SQA activities e.g., specialist members of qualification teams, international specialists delivering programmes overseas, additional resources brought into supplement internal staff resources, etc.

The table below shows which external resources must be reported according to the Act.

Scottish Government must approve Management Consultancy contracts with a value greater than £100,000

Consultancy	Not consultancy
Consultancy services that support business improvement and development of management strategy:	Consultancy services that support normal, recurring core activity, etc:
1 Advice on setting corporate strategy	1 Qualifications maintenance and development
2 Advice in setting specific strategy, e.g., IT, marketing	2 International services
3 Performance improvement and business transformation advice	3 Professional services for legal and accountancy advice
4 Irregular or one-off specialist advice and guidance	4 IT systems building
5 Advice and guidance on business best practice and efficiency	

3.7 Tender Evaluation

SQA will always evaluate the tenders by the most economically advantageous tender received in terms of the advertised quality and price criteria.

SQA evaluate the tenders using an evaluation tool which allows all parties to score the criteria set out in the tender. These scores are used to form a consensus score agreed by all evaluators. SQA will retain this score for public record.

If a consensus score cannot be reached, the final decision will fall to the Business area who requested the goods/services. The Scheme of Delegation (So) will determine who makes the final decision.

Evaluators will be required to complete a Conflict of Interest Form prior to evaluating any bids from suppliers. If an evaluator fails to disclose a personal interest or personal knowledge of the suppliers bid team the evaluator may be subject to disciplinary action.

4. SQA Policies and Legislation

4.1 Contract terms, documentation, and references/endorsements

It is SQA's policy that all contracts should be based on SQA's standard terms and conditions of contract. Terms and Conditions are set out in our documentation and are available for download from the SQA website.

Any alterations to standard documentation should be discussed with the Procurement Team before a supplier is engaged.

SQA employees must not provide references or endorse any products or services. Individual requests received for references or endorsement must be referred to the Procurement Manager.

4.2 Contract and Supplier management

SQA recognise the importance of managing relationships with suppliers to optimise their performance in the delivery of goods and services to allow SQA to perform their duties.

SQA is proactive in working with suppliers through the life of the contracts and categorise contract management into 4 categories:

LEVEL OF CM by Procurement	DECISION MATRIX
High	<ul style="list-style-type: none">• Strategic to the delivery of SQA's goals and objectives. Failure to deliver would result in harm to SQA in performance and reputation.• Single Source supplier• Infrastructure/process changes required to service the contract• Cost savings and process improvements required to be executed during the life of the contract
Medium	<ul style="list-style-type: none">• Failure to perform would result in some loss in performance but recoverable without serious harm• Cost savings and process improvements may be achievable during the life of the contract• Multi supplier base
Low	<ul style="list-style-type: none">• Failure to perform would result in no loss of performance and recoverable without harm• Cost Savings and process improvements cannot be achieved during the life of the contract• Multi supplier base
None	<ul style="list-style-type: none">• Low value non-essential goods/services

The Contract Sponsor/end user retains the responsibility for contract management and will agree the level of contract management with the supplier prior to the commencement of the contract. This will be measured by SLA's against key performance indicators. The SLA's are owned by the business. Procurement will, where required, be involved with review meetings on a frequency agreed.