

# Corporate Procurement Strategy

2025-2026

**July 2025** 

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#### **Foreword**

Transport Scotland delivers the Scottish Government's vision for transport to keep Scotland moving, by connecting people, businesses and communities through a safe, sustainable and accessible transport network. As the national transport agency, our procurement function is central to delivering the projects and services that underpin economic growth, tackle climate change and enhance public services.

Over the coming year our procurement activities will directly support the four priorities outlined by the First Minister in his <u>Programme for Government 2025-26</u>: <u>Building The Best Future For Scotland</u>. These priorities aim to provide the most immediate benefits for the people of Scotland, eradicating child poverty, growing the economy, tackling the climate emergency and ensuring high quality and sustainable public services. By supporting these outcomes in our procurement competitions and contract requirements, we will harness our purchasing power to generate community benefits, drive innovation and secure the best returns on public investment.

This Corporate Procurement Strategy has been prepared and published in line with requirements of sections 15, 17 and 19 of the <u>Procurement Reform (Scotland) Act</u> 2014 and also aligns with the Scottish Government National Performance Framework.

The commitments made in this Corporate Procurement Strategy support our vision for procurement, which is:

"To support the delivery of value for money, sustainable and innovative infrastructure and services in fulfilment of the Scottish Government's ambition and vision for transport, and Transport Scotland's corporate commitments through a strategic and systematic approach to procurement."

The procurement of works, services, and goods to support infrastructure investment is key to achieving the delivery of a sustainable, inclusive, safe, and accessible transport system for Scotland. Through our procurement activity, we support transport operators and suppliers, which in turn helps to develop our supply chain, provide opportunities for Fair Work, and drive the Scottish Government's net zero agenda in line with the National Strategy for Economic Transformation.

#### **Alison Irvine**

Chief Executive
Transport Scotland

# **Executive Summary**

Procurement and commercial capability are central to the successful delivery of Transport Scotland's business. Transport Scotland's budget is allocated as part of the Scottish Government's budget, which is set on an annual basis. Transport Scotland uses its financial resources to support the delivery of the <a href="National Transport Strategy">National Transport Strategy</a> (NTS2) and the <a href="Second Strategic Transport Projects Review">Second Strategic Transport Projects Review</a> (STPR2), supporting the delivery of a sustainable, inclusive, safe and accessible transport system, which in turn will help to deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.

The Scottish Government released the <u>first Public Procurement Strategy for Scotland</u> in April 2023. Transport Scotland's Corporate Procurement Strategy supports the Scottish Government's goals for procurement and aligns with this overarching framework and supports the delivery of its four key objectives:

- good for businesses and their employees
- good for places and communities
- good for society
- open and connected

This Corporate Procurement Strategy outlines how these objectives will be achieved through Transport Scotland's procurement activity for the period 2025–2026. It defines the agency's strategic direction, reflects legal and policy obligations and promotes the effective use of public funds. In doing so, it also supports national commitments to Net Zero emissions and the broader ambition to protect the climate and improve lives.

The statements on Transport Scotland's general procurement policies which are required by the Procurement Reform (Scotland) Act 2014 can be found in Appendix A. Our processes, along with the practical actions we commit to, will ensure that Transport Scotland remains at the forefront of best procurement practice.

Transport Scotland publishes an <u>Annual Procurement Report</u> on the performance of its regulated procurements each year, with the most recent published in March 2025.

# Transport Scotland's Corporate Commitments

# Transport Scotland's Corporate Procurement Strategy in Context

Transport Scotland's Corporate Procurement Strategy identifies the key policies and processes for undertaking its procurement activity. This Strategy sets out Transport Scotland's corporate procurement aims and associated actions to support the achievement of Scottish Ministers' ambition and vision for transport, as well as the strategic direction of Transport Scotland's procurement activity for 2025-2026.

The Scottish Government published the first <u>Public Procurement Strategy</u> for Scotland on 27 April 2023. Its aims are to align all Scottish public sector bodies with a common vision for sustainable procurement for the future. This marks a significant milestone, demonstrating the Scottish Government's determination to foster collaboration and position Scotland as a global leader in sustainable procurement practices.

The Scottish Government Strategy presents an overarching vision to position public procurement as the cornerstone of a sustainable economy and to maximise value for the people of Scotland. It emphasises leveraging procurement to drive inclusive economic growth, promote fair work, and support the transition to a net-zero economy. It outlines ambitious plans to use public spending power effectively to achieve these goals. It sets out how procurement enablers can be used to support the delivery of the following four key objectives through procurement activity:

- good for businesses and their employees
- good for places and communities
- good for society
- open and connected

These four key objectives and their enablers are reflected in this Transport Scotland Corporate Procurement Strategy. Transport Scotland's Strategy sets out the framework in which the organisation will ensure that procurement delivers value for money and sustainability, whilst maintaining high professional standards and compliance with relevant legal requirements.

Transport Scotland is committed to supporting the Scottish Government's aspirations for a just transition. The <u>Just Transition Commission</u>, published its <u>Conditions for Success</u>: Annual Report 2024 in December 2024. The Commission outlined key

strategic requirements and policy steps essential for Scotland's just transition, including developing Scotland's workforce, integrating just transition principles into policies, and maximising social and economic benefits from new infrastructure projects.

By embedding Scottish government priorities and policy throughout its procurement processes, Transport Scotland aims to play a pivotal role in delivering a fair and sustainable transport system that supports Scotland's long term economic and climate goals.

# Transport Scotland's Corporate Delivery Commitments

As an agency of the Scottish Government, Transport Scotland supports and advises the government on the strategy and policy for transport in Scotland. This enables the delivery of major transport projects and maintains the strategic infrastructure of Scotland. The agency is responsible for funding the development, operation and improvement of the motorway and trunk road, ferry, canal and railway networks in Scotland, Highlands and Islands and Prestwick airports, the provision of rail and ferry services, securing air routes for Scotland, the national concessionary travel schemes and the provision of network traffic and travel information services.

Transport is a key element of the overall strategy for infrastructure investment and is central to the Scottish Government's ambitions for a low carbon economy. Transport Scotland seeks to deliver a sustainable, inclusive, safe, and accessible transport system for the benefit of the people of Scotland.

The National Strategy for Economic Transformation that was published in March 2022 detailed the strategy for putting people and opportunities at the centre of Scotland's economy as it develops over the next 10 years. The Transport Scotland Corporate Plan 2024-27 supports this programme and sets out the commitments that Transport Scotland will deliver to support the Scottish Government's Purpose. The National Transport Strategy (NTS2) presents the vision for Scotland's transport system over the next 20 years, which is:

"We will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors."

#### **Our Vision**

We will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.



Figure 1 Transport Scotland's vision

The NTS2 vision is underpinned by four priorities, each with three associated outcomes as shown in Figure 1. The vision, priorities and outcomes will be the basis upon which decisions are taken and evaluate the success of Scotland's transport policies going forward. Procurement activity will be key in delivering the vision. The <a href="National Transport Strategy Fourth Delivery Plan">National Transport Strategy Fourth Delivery Plan</a> sets out the practical actions which will deliver the vision, providing a coordinated overview to the transport investments and projects.

A core part of the NTS2 delivery plan is the second <u>Strategic Transport Projects</u> <u>Review (STPR2)</u>. The final reports on the STPR2 were published in December 2022 and will inform transport investment in Scotland over a 20-year period (2022-2042). These reports provide evidence-based recommendations on which the Scottish Ministers can base future transport investment decisions and cover all active travel methods. STPR2, in addition to tackling inequalities and promoting health and wellbeing, supports Scotland's net zero targets by addressing how transport emissions can be reduced.

In February 2025, the Scottish Government published a <u>draft plan for the Just Transition for Transport</u> in Scotland which identifies the key challenges and opportunities that the transport sector faces in making a just transition to net zero. This details outcomes which have been grouped into four themes: jobs, skills and economic opportunities, communities and places, people and equality, and adaptation, biodiversity and environment. This draft plan, which was published for

consultation until 19 May 2025, acknowledges that it will be developed and revised as the transition continues.

## **Transport Scotland's Procurement Activity**

Transport Scotland undertakes a wide range of procurement activities to enable the agency to deliver its responsibilities. Procurement spend represents a substantial proportion of Transport Scotland's budget with most of the remainder being expended through grant funding and other forms of support to public and private sector organisations.

On average Transport Scotland has more than 250 contracts in place at any one time. These range from large-scale contracts, such as those associated with trunk road maintenance and provision of ferries services, through to smaller contracts including the purchase of goods and services needed to keep staff and offices supported and operational.

In accordance with the requirements of the Procurement Reform (Scotland) Act 2014, Transport Scotland maintains a Contracts Register that includes details of contracts entered into as a result of a regulated procurement. It is published on the <u>Public Contracts Scotland portal</u>.

# Stakeholder Engagement

Effective engagement with Transport Scotland's stakeholders on procurement matters is essential to drive innovation, best practice, and collaboration. The following list, although not exhaustive, demonstrates the broad range of stakeholders that may be engaged in these discussions relating to procurements with Transport Scotland:

- active travel groups
- Association of Consulting Engineers
- British Transport Police
- Civil Engineering Contractors Association
- community groups and individual landowners and residents
- Convention of Scottish Local Authorities
- cycling groups
- Department for Transport
- disabled people organisations
- Federation of Small Businesses

- Freight Haulage Association
- Highways Term Maintenance Association
- Local Authorities and National Park Authorities
- Mobility and Access Committee Scotland
- National Highways
- Network Rail
- Office of Rail and Road
- public utility providers
- public transport groups
- Rail Delivery Group
- Regional Transport Partnerships
- Scottish Futures Trust
- Scottish Government Directorates, including Scottish Government Legal Directorate and Scottish Procurement and Property Directorate
- Scottish Ministers
- Society of Chief Officers of Transportation in Scotland
- Scottish Government Agencies including those acting as Statutory bodies or Regulators e.g. NatureScot and Historic Environment Scotland
- suppliers
- third sector
- trade unions;
- Transport Focus
- Transport for Wales
- universities and other academic establishments

Transport Scotland advertises regulated procurement opportunities, as well as lower value procurements, through the <a href="Public Contracts Scotland Portal">Public Contracts Scotland Portal</a> and those valued at over the thresholds set out in the World Trade Organisation's Government Procurement Agreement are also advertised through the UK <a href="Find a Tender service">Find a Tender service</a>. Transport Scotland undertakes early market engagement to identify areas of savings, added value, innovation and to ensure that tendering for Transport Scotland contracts remains an attractive opportunity. Transport Scotland also publishes Contract Award Notices for regulated procurements, including frameworks and collaborative contracts, on the <a href="Public Contracts Scotland Portal">Public Contracts Scotland Portal</a>.

Transport Scotland holds industry days when appropriate to promote interest in forthcoming contract opportunities and inform potential suppliers of the business opportunities that a contract may provide. Competitive Dialogue procedures are also utilised by Transport Scotland for works contracts, where appropriate, to encourage innovative solutions and achieve best value for money.

#### **Procurement Governance**

#### **Transport Scotland's Procurement Governance**

Procurement is an integral part of the project and service delivery process in Transport Scotland and consequently this activity is not undertaken by a centralised procurement function, but instead carried out by staff with appropriate skills and expertise who are members of specific project teams. Support is provided where necessary by a central procurement team. Transport Scotland's Directors are responsible for ensuring that the available skills and resource are present within their business areas to enable the devolved procurement model to function effectively.

The Scottish Procurement and Property Directorate of the Scottish Government controls the publication and dissemination of best practice, process, and standards of procurement across the core Scottish Government and its Agencies, including Transport Scotland. The Scottish Public Finance Manual and the Scottish Government's Procurement Policy Manual set out the requirement for Delegated Purchasing Authority (DPA) to be held by officials who are responsible for preparing contracts for goods, services and works. Purchasing authority is delegated to officials by accountable officers as considered appropriate.

In Transport Scotland, the Chief Executive is the accountable officer who is responsible for the regularity, propriety and ensuring value for money of procurement activity in the agency. The Chief Executive has appointed the Director of Purchasing to hold purchasing authority for all procurement relating to the management and operation of Transport Scotland. The Director of Purchasing is supported by the Depute Director of Purchasing. The Director of Purchasing has been given authority to sub-delegate purchasing authority to DPA holders in individual project teams within Transport Scotland as considered appropriate. DPA holders are empowered to prepare terms to contractually commit Transport Scotland to enter into a contract and agree changes to an existing contract affecting the financial or legal terms and conditions, subject to the agreement of other senior managers in Transport Scotland. Levels of purchasing authority may vary depending on the role requirements and the type and value of contracts. Transport Scotland has clear policies and approval procedures in place to ensure separation of duties between DPA holders and staff who hold budget authority.

The Director of Purchasing meets biannually with the Director of Procurement and Property from the Scottish Government's Scottish Procurement and Property Directorate to discuss procurement-related issues.

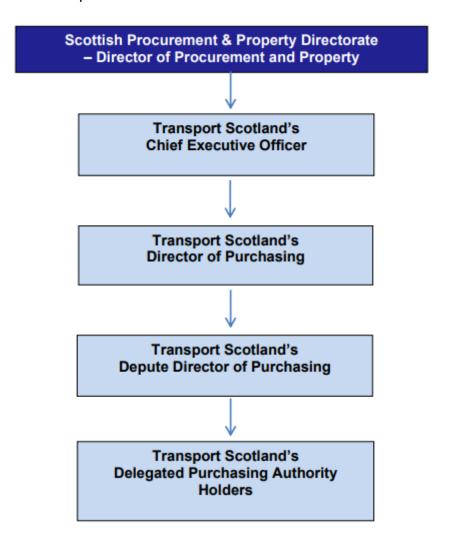


Figure 2 Transport Scotland's procurement governance hierarchy

### Transport Scotland's Procurement Team

Transport Scotland's Procurement Team, led by the Director and Depute Director of Purchasing, perform a central role in key areas of procurement activity in the organisation by:

- Supporting the procurement of works, services, and supplies with overall responsibility for managing the various stages of the procurement process from the development of the procurement strategy to contract award and implementation.
- Seeking collaborative procurement opportunities for Transport Scotland.

- Supporting continuous improvement in all areas of procurement practice, improving procurement capability, and ensuring that procurement activity is conducted to the highest standard.
- Working with the wider Scottish public sector procurement community to develop, share and promote best practice.
- Preparing and communicating sources of guidance on procurement practice, including Transport Scotland's Procurement Advice Notes.
- Developing and maintaining close links with a wide range of internal and external stakeholders through liaison on matters of common interest, including engaging with suppliers to stimulate interest in Transport Scotland's contract opportunities with the aim of achieving healthy competition and best value for money.
- Promoting sustainability through Transport Scotland's procurements to support Scotland's NTS2 and its ambitious vision for the transport system up to 2042, including taking forward procurement actions to support the Scottish Government's Climate Change Plan and Transport Scotland's Carbon Management Plan.
- Supporting delivery of the infrastructure programmes and the procurement aspects of other activities and targets set out in the agency's Corporate Plan.
- Providing advice and support to DPA holders across Transport Scotland's Directorates.
- Participating in sharing knowledge and best practice through involvement with the Scottish Government's Procurement Collaboration and Cluster Groups.
- Establishing and maintaining internal procurement governance processes and records and overseeing compliance with Scottish Government procurement policy.
- Identifying procurement training needs and organising training for DPA holders and those actively involved in procurement activities to ensure their knowledge and skills are fit for purpose.

# **Procurement Enablers**

Transport Scotland recognises that the achievement of successful strategic objectives is dependent upon the effective implementation of key enablers. Aligned with the principles outlined in the Scottish Government's first <a href="Public Procurement Strategy">Public Procurement Strategy</a>, the following enablers have been identified to support Transport Scotland's procurement objectives:

### **Procurement Capability**

Cultivating and nurturing staff in the procurement profession is a key to maintaining a high level of procurement capability across the organisation. Transport Scotland employs a wide variety of professionals with specialisms ranging over a number of disciplines including procurement, engineering, environmental, accountancy, and other technical disciplines. The skills of staff cover numerous competencies such as planning, project management, procurement, stakeholder engagement, budgeting, policy making and staff management. Transport Scotland is therefore well positioned to achieve the highest standards of innovation, professionalism, and teamwork across all areas of the business.

Procurement training is crucial to ensuring that staff have the knowledge, skills, and behaviours to support a high level of procurement capability within the organisation. Transport Scotland operates a graduate recruitment and training programme for civil engineers and transport planners, as well as offering opportunities for modern apprenticeships within other civil service professions. Specialist procurement staff are supported and encouraged to obtain professional procurement qualifications including chartered status.

Transport Scotland's procurement training strategy identifies the training actions and resources needed to support procurement in line with Transport Scotland's procurement objectives. In addition to development opportunities for procurement specialists, Transport Scotland's procurement team also provides in-house training for DPA holders and project teams who are undertaking procurement work. The annual procurement training programme takes account of changes in legislation and Scotlish Government policy as well as any identified skills gaps. An important aspect of the procurement training strategy is the alignment of training and development opportunities with the Scotlish Government's Success Profiles and Scotland's National Procurement Competency Framework.

DPA is only granted to staff that have demonstrated the necessary skills and have undertaken appropriate training in procurement. In addition, those with DPA are encouraged to assess themselves against the National Procurement Competency Framework to identify procurement training needs within their Personal Leaning Plans, to ensure that Transport Scotland retains a high level of procurement competence.

The Scottish Government's Procurement and Commercial Improvement Programme (PCIP) assessment was most recently undertaken in June 2024 and this demonstrated that Transport Scotland has a high level of procurement capability. The PCIP is designed to evaluate the performance of public sector organisations' procurement activity. In addition to the 11 mandated areas which were assessed

through this process, Transport Scotland opted to be assessed on a further 5 optional areas. The levels achieved for each question are summarised below:

#### Mandated Questions:

- Procurement Influence advanced practice area
- Procurement Strategy advanced practice area
- Learning and Skills: Capability advanced practice area
- Risk Management advanced practice area
- Commercial Awareness and Acumen advanced practice area
- Continuous Improvement of Procurement Activity advanced practice area
- Contractual Obligations and Additional Benefit advanced practice area
- Lessons Learned advanced practice area
- Climate Change good practice area
- Implementation and Exit Strategies, Life Cycle Planning good practice area
- Contract and Supplier Management good practice area

#### **Optional Questions:**

- Procurement Representation advanced practice area
- Fraud Awareness and Prevention- advanced practice area
- Strategy Development advanced practice area
- Specification advanced practice area
- Procurement Process Automation good practice area

Transport Scotland is committed to continuous improvement of its procurement and commercial processes and has developed an action plan following the PCIP assessment. The procurement team will also review the areas which were recognised as being good practice areas to identify where processes can be developed further to ensure that the agency is at the forefront of best practice across all areas of procurement.

# **Supplier Development**

Transport Scotland recognises the importance of its supply chain in delivering positive outcomes for communities, society at large, and the Scottish Government's National Outcomes. Transport Scotland engages with its suppliers to inform them of opportunities and listen to their concerns. Transport Scotland is committed to ensuring transparency, accessibility, and fairness throughout all stages of its procurement. Procurement documents are designed to clearly communicate expectations and requirements to potential suppliers, thereby enabling informed and effective participation in public contracts. Key policy areas such as Community Benefits, Fair Work First, and Cyber Security are prominently highlighted in our procurement documentation. Where appropriate, suppliers are directed to additional guidance and resources to support their understanding and compliance.

Transport Scotland recognises the importance of considering potential impacts on the supply chain when introducing new procurement policies. As part of this approach, we assess how changes, such as the integration of emerging technologies like Artificial Intelligence (AI), may affect supplier engagement. Rather than prohibiting the use of AI, Transport Scotland acknowledges its potential value in how suppliers can streamline their responses and enhance the overall procurement process. Accordingly, Transport Scotland's policies are designed to encourage the responsible and beneficial use of such technologies, in line with ethical and legal standards.

Proactive supplier engagement is a cornerstone of Transport Scotland's procurements. For larger and more complex procurements, Transport Scotland hosts industry engagement events and conducts market consultation exercises. These sessions provide suppliers with early visibility of upcoming opportunities and offer a platform for open dialogue. This allows Transport Scotland to better understand market dynamics and respond to supplier concerns by incorporating relevant feedback into its procurement.

Transport Scotland is an active participant of the Supplier Development Programme's Meet the Buyer Events which are designed to help suppliers and Small and Medium-sized Enterprises (SMEs) understand what buyers are looking for.

In addition, Transport Scotland will take forward a programme of supported business engagement events in 2025-2026. These sessions are intended to raise awareness among Tier 1 suppliers of the value and social impact of contracting with supported businesses. By fostering stronger connections between primary contractors and supported businesses, Transport Scotland aims to promote inclusive economic growth and support sustainable procurement practices.

Through these measures, Transport Scotland continues to build a procurement environment that is inclusive, innovative, and aligned with its procurement objectives, while maintaining a strong focus on supplier development and market readiness.

#### **Engagement**

Transport Scotland's procurement team engages with internal and external stakeholders, to share knowledge and experience, and to promote a consistent approach to procurement which benefits suppliers and project teams within the organisation.

Transport Scotland shares procurement processes and tools on its intranet to assist procurement staff and project managers throughout their procurement activities. Regular procurement training sessions are provided by Transport Scotland and staff are also encouraged to use the Scotlish Government's Procurement Journey and

<u>Sustainable Procurement Tools</u> as a reference tool to enhance their understanding of procurement procedures.

Transport Scotland strives to maintain a consistent and coordinated approach to procurement across the organisation. Wherever appropriate, the procurement practices are aligned with wider Scottish Government policies and procedures, including the use of national frameworks and contracts to ensure efficiency and standardisation.

Transport Scotland actively engages and collaborates with other public sector bodies to share best practices, exchange information, and learn from collective experiences. This collaborative approach supports continuous improvement in Transport Scotland and helps ensure alignment with broader Scottish Government procurement goals across the public sector.

Transport Scotland is developing standardised procurement and contract management templates for its staff. These resources are designed to achieve greater consistency in the format of procurement documents across the organisation, enhancing efficiency for both Transport Scotland and its suppliers.

#### Collaboration

Fostering collaboration is essential to achieve shared objectives and secure success within communities and across organisations. Transport Scotland promotes this through regular meetings with internal and external stakeholders. These include the Scotlish Government's Scotlish Procurement Policy Directorate, the Procurement Collaborative Group, the Procurement Cluster Group, the Construction Leadership Forum, the Association for Consultancy and Engineering Scotland, as well as the Civil Engineering Contractors Association.

By undertaking meaningful collaboration about its procurement processes, Transport Scotland aims to establish standardised approaches where feasible, encourage continuous improvement and exchange best practice. This will cultivate a culture that encourages innovation and excellence in procurement practices.

# Transport Scotland's Procurement Objectives

# **Corporate Procurement Objectives**

Transport Scotland aims to deliver its procurement activities while striving for best value and promoting responsible procurement and effective contract management. This will be achieved by the continuous improvement of procurement activity, having regard for the economy, efficiency, effectiveness, openness, sustainability and

transparency and legal obligations. Transport Scotland will continue to seek opportunities to promote best practice and to work creatively and collaboratively with Scottish Government Procurement and Property Directorate and other organisations where appropriate.

The corporate procurement objectives support Transport Scotland's overall delivery commitments, which aligns with the Scottish Government's <a href="Public Procurement">Public Procurement</a>
<a href="Strategy">Strategy</a>. The objectives also take cognisance of requirements deriving from procurement legislation including the <a href="Procurement Reform (Scotland) Act 2014">Procurement (Scotland) Act 2014</a>, the <a href="Procurement (Scotland) Regulations 2016">Procurement (Scotland) Regulations 2016</a>, <a href="the Public Contracts">the Public Contracts</a> (Scotland)
<a href="Regulations 2015">Regulations 2015</a> and associated published Statutory Guidance. Transport
<a href="Scotland">Scotland</a>'s corporate procurement objectives are as follows:

#### Objective 1 - Good for Businesses and Their Employees

Transport Scotland will maximise the impact of procurement to boost a green, inclusive and wellbeing-focused economy, while promoting and enabling innovation.

#### Sub-objectives:

- Promote early supplier engagement to foster innovative and entrepreneurial responses to Public Sector needs and requirements.
- Collaborate with organisations to deliver positive, green, inclusive social impacts within public contracts and adopt a holistic approach with key suppliers.
- Encourage a sustainable supply base that can support the work of the Public Sector to provide resilient and robust supply chains.
- Develop appropriate relationships and putting forward looking plans in place to support the development of the supply markets, improving security of supply and reducing risk.
- Consider how procurements are conducted and contracts are developed to reduce barriers and enable participation for SMEs, Third Sector organisations, and Supported Business in Public Sector Procurement.
- Carry out ongoing proportional contract management to ensure the right outcomes are delivered and the performance of contracts is maximised.

#### **Objective 2 - Good for Places and Communities**

Transport Scotland will use its procurement programme and strong community engagement to deliver social and

economic outcomes that drive wellbeing by creating quality employment and skills opportunities.

#### Sub-objectives:

- Maximise economic and social benefits through procurement and commissioning by applying fair work practices and developing secure supply chains.
- Maximise opportunities in procurement to develop, enhance and maintain a sustainable built environment.
- Utilise frameworks and contracts to deliver a range of construction activity
  which considers the economic impact and the sustainability of the
  construction industry and the requirement for inclusive growth and climate
  change targets.
- Promote sustainable procurement through routine consideration of whole life costing to ensure value for money in procurement, minimise environmental damage and maximise socio-economic benefits.
- Engage with communities to understand local needs and requirements to help shape procurement policies, initiatives and contracts.
- Make informed decisions through early engagement with suppliers to create innovative solutions to positively respond to the climate crisis.
- Eliminate waste throughout the supply chain where possible.
- Act in a way that will secure net zero emissions through a Just Transition and promote a circular economy.

#### Objective 3 – Good for Society

Transport Scotland will use continuous improvement to ensure it is efficient, effective, and forward thinking to help achieve a fairer and more equal society.

#### Sub-objectives:

- Make conscious and considered decisions that achieve best value and aim to establish practices and contracts that support the people and organisations of Scotland.
- Procurement has been critical in responding to previous emergencies and humanitarian situations. Strive to provide innovative, effective, and efficient responses to any future emergency situation.

• Ensure high standards of animal welfare and sustainable production and waste reductions through the procurement process to improve community health, wellbeing, and education.

#### **Objective 4 - Open and Connected**

Transport Scotland will ensure its procurement competitions are open, transparent, and connected at local, national, and international levels.

#### Sub-objectives:

- Remain connected to support development of best practice.
- Strive to ensure that Transport Scotland can easily do business with its suppliers.
- Take advantage of opportunities to develop and improve data, management information and systems, while leveraging automation and future technologies.
- Promote consistent use of tools, platforms and systems, processes, guidance, and templates.

# Policy and Legislation Framework

Transport Scotland relies on a comprehensive framework of policies and legislation to deliver its procurement objectives and embed best practice into its procurement processes. The following policies and legislation guide its procurement decision making, management and governance.

## **National Legislation and Policies**

Transport Scotland staff involved in procurement are required to take account of the following national policies, legislation, and tools:

- The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015
- The Construction (Design and Management) Regulations 2015
- The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and subsequent duties under the Public Contracts (Scotland) Regulations 2015
- The General Data Protection Regulations 2018

- The Procurement Reform (Scotland) Act 2014 and the associated Statutory Guidance
- The Procurement (Scotland) Regulations 2016
- The Public Contracts (Scotland) Regulations 2015
- Scottish Government's Client Guide to Construction Projects
- Scottish Government's <u>Construction Policy Notes</u> (CPNs), published by the Scottish Government Construction Procurement Policy Unit
- Scottish Government's Gifts and Hospitality standard of conduct guidance
- Scottish Government's <u>National Performance Framework</u>
- Scottish Government's National Strategy for Economic Transformation
- Scottish Government's Procurement Journey
- Scottish Government's Public Procurement Strategy
- <u>Scottish Procurement Policy Notes</u> (SPPNs), published by the Scottish Government Procurement and Property Directorate
- Scottish Public Finance Manual
- The <u>Sustainable Procurement Duty Tools</u> developed by Scottish Government to assist public sector bodies to identify and address how they can optimise economic, social, and environmental outcomes of procurement activity

### **Local Policies and Procedures**

In addition, Transport Scotland staff are required to take account of local policies and procedures when undertaking any procurement activity, including:

- The prompt payment of invoices for works, goods, and services in line with the Scottish Government's 10-day payment policy
- The requirement for appropriate staff to have a suitable level of Delegated Purchasing Authority
- Transport Scotland's Investment Decision Making procedures
- Transport Scotland's Framework Document
- Transport Scotland's requirement that all procurement activity is underpinned by an approved Procurement Strategy
- Transport Scotland's Fraud Policy and Response Plan
- Scottish Government's Risk Management Guidance

#### **Procurement Policies**

Transport Scotland is required to outline how it will deliver its regulated procurement activity and the policies it will adopt to ensure compliance with Section 15(5) of the Procurement Reform (Scotland) Act 2014 and the accompanying Statutory Guidance. Statements on Transport Scotland's general policies are shown in Appendix A.

# Review, Monitor and Reporting

Compliance checks will be undertaken at key stages of Transport Scotland's regulated procurements to identify issues regarding adherence to policy and legislation requirements. Transport Scotland will continue to review the existing procurement compliance check process for its regulated procurements and enact improvements where necessary.

Transport Scotland is committed to monitoring the progress of this strategy against its procurement objectives throughout the financial year. This will be achieved through various mechanisms, including quarterly procurement group meetings where updates on progress are provided to directors, the publication of the annual procurement report, and undertaking lessons learned reviews to identify any issues arising and areas of improvement.

Data gathering relating to regulated procurements will be carried out to identify community benefits resulting from procurement activity, the volume, value and nature of contracts and sub-contracts with SMEs, and contracts placed with supported businesses and the third sector. This data will be used to identify trends and any areas of policy requiring intervention and will be included in Transport Scotland's Annual Procurement Report.

# **Annual Reporting**

The Procurement Reform (Scotland) Act 2014 requires Transport Scotland to prepare an annual procurement report on its regulated procurement activity. The last report was published in <u>March 2025</u>.

In accordance with Section 18(2) of the Act, the Annual Procurement Report includes:

- A summary of the regulated procurements that have been completed during the year covered by the report.
- A review of whether those procurements complied with the Corporate Procurement Strategy.

- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the report period.
- A summary of regulated procurements expected to commence in the next two financial years.
- Reporting on other matters contained in the Corporate Procurement Strategy.

# **Appendix A – General policies**

Transport Scotland has developed statements on its general policies, in line with the requirements of the <u>Procurement Reform (Scotland) Act 2014</u> and the accompanying Statutory Guidance. These policies are set out below:

# Procurement policy 1 – procurement will contribute to corporate priorities

Regulated procurements will directly support Transport Scotland's functions and delivery objectives.

- Transport Scotland's Corporate Procurement Strategy will set out the strategic direction of its procurement activity for 2025-2026. Progress on delivery will be reported on a quarterly basis to Senior Management through the Procurement Group.
- An appropriate procurement route will be used for each procurement, to support corporate delivery commitments and comply with policy and legislation.
- Effective contract and supplier management will ensure delivery in accordance with the contract terms.
- Stakeholder engagement will be undertaken during project development and procurement preparation.
- Corporate delivery commitments will be communicated to all Transport Scotland staff.

#### Procurement policy 2 - value for money

Transport Scotland will ensure that regulated procurements will deliver value for money.

- Robust investment decision making and procurement approval processes are in place to provide justification for the requirement and assurance that value for money will be obtained.
- Early market engagement as appropriate to enable areas of savings, added value and innovation to be identified.
- Research to ensure collaborative opportunities are identified during the preparation of project procurement strategies.
- Effective contract and supplier management procedures to enable delivery in accordance with the contract terms.
- Lessons learned process to allow identification of areas for improvement.

- Effective stakeholder engagement, both internally and externally, to drive innovation and ensure that purchase requirements are fully understood.
- Analysis of previous procurement activity and contract performance data to identify potential areas of savings and added value.
- Supplier feedback system to give performance feedback to suppliers on a regular basis.

#### Procurement policy 3 - equal treatment and nondiscrimination

Transport Scotland will undertake regulated procurements in compliance with the duty to treat relevant economic operators equally and without discrimination.

- A project procurement strategy approval process is in place to provide assurance that the selection of an appropriate procurement route has been made in accordance with policy and legislation.
- Early market engagement is undertaken and, where appropriate, industry days are hosted.
- The Public Contracts Scotland portal is used for the publication of contracts and primary contractor's sub-contract opportunities where appropriate.
- An appropriate lot structure is considered and developed for frameworks.
- Transport Scotland's Contracts Register is published on <u>Public Contracts</u> <u>Scotland.</u>
- Suitable feedback is provided to unsuccessful tenderers.
- Proportionate requirements are specified for insurance and financial requirements.

#### Procurement policy 4 - transparency and proportionality

Transport Scotland will ensure that regulated procurements comply with the duty to act in a transparent and proportionate manner.

- A procurement strategy approval process is in place to provide assurance that the selection of an appropriate procurement route has been made in accordance with policy and legislation.
- The Public Contracts Scotland portal is used for publication of contract and main contractors' sub-contract opportunities where appropriate.
- The use of Meet the Buyer events and industry days.

# Transport Scotland

### Procurement policy 5 - the sustainable procurement duty

Transport Scotland's regulated procurements will be carried out in compliance with the sustainable procurement duty.

- The Scottish Government sustainable procurement tools are used to identify and address how Transport Scotland can optimise economic, social and environmental outcomes of procurement activity.
- Project procurement strategies will be approved prior to procurement commencing. These will take account of sustainable procurement practices and the output of the sustainability tools.
- Sustainable procurement principles and requirements are embedded in project and contract documentation, processes, and procedures.
- Transport Scotland will engage with stakeholders to advance its scientific and engineering knowledge and, where practical, enhance the natural and physical environment.
- Transport Scotland will provide sustainable procurement training to staff throughout the organisation.

#### Procurement policy 6 - community benefits requirements

Community benefits requirements will be considered for all relevant procurements.

- The potential for community benefits to be delivered will be considered at procurement preparation stage for regulated procurements, prior to approval of the project procurement strategy.
- Consideration will be given to including community benefit clauses in contracts.
- The delivery of community benefits will be monitored using contract management and strategy compliance checks. Outcomes will be reported in the Annual Procurement Report.

#### Procurement policy 7 - consultation and engagement

Stakeholders affected by procurement will be consulted appropriately.

- Consultation and engagement with key stakeholders affected by procurement activity will be built into procurement processes. This will include consultation and engagement with the public, statutory bodies, suppliers, and industry groups.
- Information about the progress of major projects is supported by an appropriate approach to communication. This may include the use of the agency's website, specific project websites and press releases to keep the public informed.

 Transport Scotland advertises tender opportunities for lower value procurements and those regulated under the Procurement Reform (Scotland) Act 2014 through the Public Contracts Scotland portal. Procurements valued at over the World Trade Organisation's Government Procurement Agreement thresholds are also advertised on the Find a Tender service.

#### Procurement policy 8 - fair work and the real living wage

Transport Scotland supports fair work and payment of the Real Living Wage.

- Transport Scotland understands the need to support a society that offers equal opportunity and ensures the benefits from a stronger economy are shared fairly.
- Transport Scotland became an Accredited Living Wage employer in 2016 and considers payment of the Real Living Wage to be a significant indicator of a supplier's commitment to its workforce. Transport Scotland is committed to supporting the Scottish Government in its objective of implementing the payment of the real Living Wage through its procurement activities in line with updates to the Procurement Reform (Scotland) Act 2014: Statutory Guidance and encourages a proactive approach from its contractors and sub-contractors by utilising scored and non-scored fair work practice award criteria within the Invitations to Tender in relevant contracts.
- Transport Scotland undertakes to include relevant and proportionate questions on Fair Work First for all regulated procurements in line with <u>SPPN 1/2024</u>, the Scottish Government's Fair Work First Guidance which was published in March 2023 and its supplementary guidance on <u>Fair</u> <u>Work Practices</u> published in February 2024.
- Inclusion of a scored question on a supplier's approach to fair employment, including the Real Living Wage, is considered at the procurement strategy stage. Transport Scotland includes a pass/fail question for suppliers in its procurements asking them commit to paying the Real Living Wage, where it is relevant and proportionate to do so.

#### Procurement policy 9 - contractor's health and safety

Transport Scotland promotes compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c. 37) and any provision made under that Act.

- Health and safety risks are taken into consideration at the design stage of projects as well as during preparation for procurement.
- Factors pertaining to specific health and safety requirements are recorded in project procurement strategies on a case-by-case basis. These will vary depending on the nature of the works, services or goods being purchased.

 Suppliers will be required to provide information in their tenders to demonstrate compliance with the necessary legislation, such as the Construction Design and Management Regulations 2015.

# Procurement policy 10 - fairly and ethically traded goods and services

Transport Scotland's considers fairly and ethically traded goods within the procurement process.

- Consideration of specific requirements and availability in relation to fairly and ethically traded goods and services will be considered at project development stage and recorded in the project procurement strategy.
- The use of the Single Procurement Document for above threshold procurements allows consideration of whether a potential supplier has been convicted of certain offences and/or committed any acts of professional misconduct and allows suitability to be assessed.

#### Procurement policy 11 - provision of food

Transport Scotland's does not purchase food using regulated procurements. It therefore does not require a general policy on how it intends to approach regulated procurements involving the provision of food to improve the health, wellbeing, and education of communities in the authority's area and promote the highest standards of animal welfare.

#### Procurement policy 12 - prompt payment

Transport Scotland will ensure that, so far as reasonably practicable, prompt payments will be made on their contracts.

- Payments will be made no later than 30 days after the invoice (or similar claim) relating to payment is presented for:
  - o payments due by the authority to a contractor
  - o payments due by a contractor to a sub-contractor
  - o payments due by a sub-contractor to a sub-contractor
- Transport Scotland will aim to settle all undisputed invoices within contract terms and also in line with the Scottish Government's 10-day payment policy.
- Prompt payment clauses requiring a 30-day payment term will be embedded in contracts and these are required to be replicated throughout the supply chain.

# Corporate Procurement Strategy 2025-2026 Transport Scotland

 Project Bank Accounts will be in place for all works contracts of value equal to or greater than £5 million in accordance with the Scottish Government requirements.



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