



# Annual Procurement Report 2018-19



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## Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires all public organisations with an annual regulated<sup>1</sup> spend of £5 million or more to prepare and implement an annual procurement strategy. In parallel with this requirement, all organisations (including HE and FE institutions) must also publish an Annual Procurement Report (APR) which summarises procurement activities carried out during the same period as the procurement strategy.

This APR covers the period 1 April 2018 to 31 March 2019 and summarises the activities that have been carried out in delivering SRUC'S organisational procurement strategy. Stakeholder engagement is key to the development of the procurement strategy and will continue as the foundation for assessing SRUC's regulatory compliance, our strategic objectives, the constant pursuit of value for money (defined as the best balance of cost, quality and sustainability) in all that we do, and delivery against our broader aims and objectives, in line with [Scotland's National Outcomes](#). This process of review and reporting will inform any adjustments to the procurement strategy which are deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which SRUC may need to adjust.

SRUC has identified that over the period covered by this report the following expenditure has occurred:

- EU regulated procurements (goods and services worth more than £181,302; works worth more than £4,551,413<sup>2</sup>) amounted to £5,421,758. There were 9 such procurements completed<sup>3</sup>.
- Lower value regulated procurements (goods and services worth more than £50,000, works worth more than £2 million) amounted to £2,121,364. There were 24 such procurements completed.

More detailed information on the regulated procurements, sorted into procurement categories, is provided in Sections 1 and 2 and in Annex A of this report.

SRUC has over 6,000 active suppliers on its Purchase Ledger and the College did business with circa. 3,300 suppliers in the reporting period, 58% of which are located in Scotland, 38% in the rest of the UK, 3% in the European Union, and 1% in the rest of the World. Subject to the finalisation of SRUC's statutory accounts for 2018/19, total non-salary expenditure was £29,644,000, of which £20,116,000 could be influenced by procurement action - £14,063,000 of expenditure within Categories B, C and C1, and £6,053,000 of non-regulated expenditure.

Whenever possible SRUC, has sought to use national, sectoral, local or regional C1 collaborative contracts and frameworks. As well as bringing leverage based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly. While the College's total procurement influenced spend through collaborative agreements remained unchanged at 40%, the total procurement influenced spend during 2018/19 rose from 68% to 70%. This increase can be attributed to consolidation of service contracts (e.g. electrical testing services, portable fire equipment) and expansion of procurement's

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<sup>1</sup> 'Regulated' procurements are those with an estimated value equal to or greater than £50k (≥ £12,500 per annum over a four-year contract period excluding VAT) for goods & services (or £2,000,000 excluding VAT for a public works contract).

<sup>2</sup> Public contracts (EU) thresholds are revised every 2 years – next due on 01 /01/2020.

<sup>3</sup> Deemed completed when the award notice is published or where the procurement process otherwise comes to an end – this assumption covers contracts and framework agreements.

influence in to areas of College activities not previously subject to procurement activity (e.g. marketing, website development, and veterinary test kits)

This report comprises six sections, the first five cover mandatory reporting with the sixth being discretionary:

Section 1: Summary of Regulated Procurements Completed

Section 2: Review of Regulated Procurement Compliance

Section 3: Community Benefit Summary

Section 4: Supported Businesses Summary

Section 5: Future Regulated Procurements Summary

Section 6: Other Content for Consideration

**Report Approved: 4 July 2019**

**By: SRUC's Executive Leadership Team**

A handwritten signature in black ink, appearing to read "Wayne Power". The signature is written in a cursive style with a period at the end.

**Signed:**

**Position: Principal and Chief Executive**

## Section 1: Summary of Regulated Procurements Completed

SRUC strongly believes in conducting all of its procurement activities in an open and transparent manner, and in line with our overarching organisational Strategic Plan.

The detailed summary of regulated procurement activities completed during the period of this report is set out in Annex A. That information, coupled with the publication of our [Contracts Register](#) and our systematic use of [Public Contracts Scotland](#) (PCS) and Quick Quotes, provides complete visibility of SRUC's regulated procurement activity.

In Annex A, information is set out to show lower value regulated procurements and EU regulated procurements that have been completed. These are separated into contract categories and use of collaborative contracts is shown separately from those let by SRUC. For each regulated procurement that was completed, the information provided shows:

- the date of award;
- the contract start date;
- the category and contract subject matter;
- the name of the supplier;
- the status of the supplier e.g. SME, Supported Business, etc.;
- estimated total value of the contract over the contract period;
- collaborative or institution owned;
- the end date provided for in the contract or a description of the circumstances in which the contract will end.

## Section 2: Review of Regulated Procurement Compliance

Where appropriate, SRUC has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money (being the best balance of cost, quality and sustainability).

In making its regulated procurements every care has been taken to ensure that SRUC awards its business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business. Further, in the period covered by this report the College has conducted all its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

Since June 2016, SRUC has utilised a rolling Procurement Improvement Plan (PIP) as a key tool to ensure successful delivery against our [Procurement Strategy](#) objectives. The PIP seeks to deliver continual improvement of all aspects of the procurement process and outcomes over time, and is based on SRUC's assessment against the [Scottish Government Procurement & Commercial Improvement Programme](#) (PCIP). The PCIP is a useful tool through which the University/College sector is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented. SRUC's most recent assessment was conducted by [Advanced Procurement for Universities and Colleges](#) (APUC) in May 2019 (see Section 6, Note 6.2).

SRUC has procurement processes and sign off arrangements that are consistent with the guidelines set out in the Procurement Journey, and in compliance with its Procurement Strategy, has met the objectives and obligations set out in the following schedules.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
<p>To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p>	<p>As part of SRUC’s Procurement Journey, we actively seek to engage with all internal and external stakeholders. We continue to invest time in liaising with these groups and during 2018/19, our procurement staff hosted 30 formal meetings with current and/or potential suppliers, and a further 57 meetings with internal stakeholders and collaborative partners.</p> <p>Interaction with suppliers is vital, and we have noted an improvement in the quality of tender submissions from engaged suppliers that share SRUC’s desire for quality goods and services, supplied in a mutually beneficial manner. We have also observed an increase in the number of Small to Medium sized Enterprises (SME) showing interest in working with SRUC (see Section 6, Note 6.1). In addition, our procurement team have received positive feedback from suppliers, particularly in relation to our explanation of the intricacies of public procurement regulations, and our highlighting of key initiatives such as the Scottish Government’s <a href="#">Supplier Journey</a>.</p> <p>Our procurement team continues to directly support APUC in the development and evaluation of its contracting plans. The Senior Procurement Manager attends and contributes to APUC led Procurement Strategy Groups (PSG) and members of our procurement team, and staff from across the College, have actively participated in APUC framework User Intelligence Groups and associated tender evaluations. They also actively engage with other bodies in pursuit of collaborative opportunities through attendance at HE and FE specific events, and wider Scottish Public Sector events.</p>

<p>To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the Institution.</p>	<p>For each regulated procurement, a bespoke strategy is developed and agreed, through consultation, with key stakeholders, end users and suppliers. For non-regulated procurements, a similar approach is adopted, commensurate to the contract value and business impact of the goods and services in question.</p> <p>SRUC's procurement activities directly follow the guidelines set out in the <a href="#">Scottish Procurement Journey</a>. This ensures that our approach is consistent, transparent and in line with Scottish Public Sector recognised best practice. In addition, Procurement actively works to support SRUC's strategic objectives.</p> <p>In March 2018, SRUC published a new <a href="#">Strategic Plan</a> for 2018 to 2023. Through the establishment of a new business model based around regional faculties in North, Central and South West Scotland, SRUC will become a modern 21<sup>st</sup> Century University that is regional yet international, and a focal point for the rural sector and wider society. Procurement will have an active role to play as SRUC fulfils its new Vision and Mission. This will include:</p> <ul style="list-style-type: none"> <li>• fostering partner relationships with suppliers that will enhance research activities and the student experience;</li> <li>• seeking innovative procurement solutions that will build sustainability in to our business activities;</li> <li>• delivery of a strategically focused infrastructure programme to improve quality of staff and student accommodation and facilities, and to facilitate regional delivery through the North, Central and South West Scotland faculties;</li> <li>• delivery of a total organisation underlying operating surplus of 5% of turnover by 2020/21;</li> <li>• using the procurement journey as a means to achieve best value for money and to support the reduction of overhead costs across SRUC by 10% by the end of Financial Year 2019/20.</li> </ul>
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<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.</p>	<p>Whole life cost, quality and sustainability are used in a balanced manner to ensure SRUC’s procurement activities deliver best value for money. We consult with users and wider stakeholder groups to ensure that our procurement strategies and tender specifications meet their needs, are clearly understood and can be delivered by suppliers. Wherever possible, we aggregate requirements to maximise the benefit of our procurement action, whilst also minimising duplication and unnecessary procurement costs.</p> <p>To support this approach, Procurement carries out a quarterly review of general ledger expenditure and uses this data to categorise spend in to regulated and other procurement opportunities. The added value of procurement activities are quantified using a sector agreed <a href="#">Benefits Methodology</a> which provides transparency and comparability between institutions. For the reporting period, across all benefit types, £1.7 million of savings and efficiencies were recorded by SRUC.</p> <p>SRUC continues to utilise sector framework agreements whenever possible. Such agreements provide access to best value for money delivered on a diverse portfolio of goods and services, by market leading suppliers (see Section 6, Note 6.4). With 40% of influenced spend being placed through frameworks during the reporting period, we recognise that there is scope for SRUC to make greater use of frameworks. We will therefore work to identify opportunities to increase our use of frameworks during 2019/20. However, a balance will have to be struck to ensure that SMEs are not disenfranchised.</p> <p>Where the specialised nature of our requirements has not been provided for by an existing framework, SRUC has taken the lead in collaborative procurement exercises. We have been particularly successful working with the James Hutton Institute and the University of Edinburgh to meet our collective needs for agricultural livestock feed, and agricultural fertiliser. Relocation of SRUC’s Veterinary Services to shared premises at the Moredun Research Institute (MRI) in January 2019 has provided additional collaborative opportunities, particularly around the purchase of lab-ware and chemicals. SRUC Procurement worked closely with colleagues at the MRI to identify shared requirements, best pricing, and to establish an efficient and robust process for ordering and recharging.</p> <p>How the categorised spend on goods, services and works are bought - joint purchasing, use of local, regional and national framework agreements, consolidated contracting – is subject to a formal biennial PCIP review BY APUC. It is a testament to our overall approach that our PCIP score has increased year-on-year. A summary of our most recent assessment, which was conducted in May 2019 can be found in Section 6, Note 6.2 of this report.</p>
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<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.</p>	<p>Procurement at SRUC sits within the Finance Group and is managed by a team of three (2.8 Full Time Equivalent), with two team members holding relevant professional qualifications. The team maintain full training records and provision for training (technical, competency and career development) is made within the Finance Group Budget. We participate in training courses organised for the sector by APUC and utilise APUC's e-learning resources to further enhance team member's capabilities.</p> <p>Staff holding devolved purchasing responsibilities are also provided with formal training, supplemented with guidance and support from SRUC's Procurement team. During 2018, the senior procurement manager, along with colleagues from the wider Finance department, participated in a series of presentations at each of SRUC's six main Campuses. The key themes of the procurement presentation were an update on regulations and thresholds, value for money, and the potential impact of bribery, corruption and fraud.</p> <p>Continual Improvement is key to ensuring that SRUC's procurement process remains fit for purpose and delivers tangible benefits to our stakeholders. We regularly seek feedback from stakeholders and their comments are used to refine the over-arching procurement process. In addition, we share and discuss our processes with other organisations within the sector and where better practice is identified, we seek to adopt it.</p> <p>Regular, formal supplier meetings are held over the life of contracts. These meetings provide an opportunity for both parties to discuss performance, agree contract variations, plan for future activities, and identify areas which can be developed for mutual benefit. In addition, as contracts for on-going services (e.g. clinical waste collection) are renewed, we work closely with internal stakeholders and both the outgoing and new supplier to ensure a smooth and effective transition of the service.</p> <p>Since 2016 all regulated procurement contracts are subject to a risk review with details held on a procurement risk register which is updated every six months. With on-going uncertainties around Brexit, during 2018 a separate review was carried out and 16 contracts were identified as carrying a Brexit risk. While no labour related risks were identified, the potential impact of delays on importing veterinary test kits, and the knock-on effect on SRUC's advisory scheme and commercial testing, were recorded as high risk. These findings, and advice on mitigation action were shared with SRUC senior management. SRUC will continue to monitor the impact of Brexit as the UK moves towards the suggested exit date of 31 October 2019.</p>
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<p>To develop sound and useful procurement management information to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.</p>	<p>As noted previously, SRUC’s procurement procedures have been mapped directly to the Scottish Government’s Procurement Journey. This provides robust internal governance procedures and with our adoption of paperless processing, a transparent and efficient means of managing regulated procurements. As a further layer of governance, prior to commencing all regulated procurements and those below the regulatory thresholds, internal stakeholders are required to complete a business case for procurement. This ensures that before the procurement process begins, it can be clearly demonstrated that proposed spend has been approved and budgeted, and that consideration has been made of alternative solutions, added value, business benefits, payback period of investment, and sustainability.</p> <p>At the conclusion of a procurement process, and before a contract is awarded, a Contract Award Recommendation Report (CARR) is prepared and approved in line with SRUC’s Authorisation Policy. The CARR summarises the procurement and provides transparency on key points including whether objectives have been met, value for money delivered, added value achieved, and lessons learned.</p> <p>All regulated procurements are advertised on PCS and where possible, for those procurements below the regulatory thresholds, we use Quick Quotes. This approach, coupled where appropriate with the use of lotting, detailed specifications and clear evaluation criteria ensures that SRUC’s procurement opportunities are open to as many suppliers (most importantly SMEs) as possible. This approach was particularly successful during the reporting period with the result that there was a 32% increase in submissions from SMEs (see Section 6, Note 6.1).</p> <p>Expenditure segmentation analysis is carried out to inform future procurement activities and provide management information. Data for analysis is drawn from SRUC’s General Ledger along with annual spend data located on APUC’s Hub, and Hunter database. During 2018 procurement’s reporting capabilities were further enhanced with the introduction of a new report that allows identification and analysis of supplier spend down to general ledger nominal code level. This will; be a particularly useful tool for consolidating expenditure and driving cost efficiencies in support of SRUC’s Strategic Plan (see above).</p>
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<p>To embed sound ethical, social and environmental policies within the Institution's procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.</p>	<p>Procedures are in place to ensure that consideration of environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning and strategy development stages. SRUC continues to include APUC's <a href="#">Supply Chain Code of Conduct</a> in all regulated procurements with suppliers being required to confirm they, and their supply chains, will adhere to the Code of Conduct. During 2018 a Supplier Declaration of Conflict of Interest was added to SRUC's procurement journey. Completion of this declaration adds a further level of transparency and helps mitigate the risk of reputation damage for both SRUC and its suppliers.</p> <p>During 2018, SRUC became the first Scottish HE Sector organisation to implement a <a href="#">Construction Project Bank Account</a> (PBA). PBAs are an important tool for ensuring sustainability in construction supply chains and are mandatory for contracts with value over £2m. Further details of SRUC's experience can be found in Section 6, Note 6.3.</p> <p>Procedures are also in place to ensure that regulated procurements are only awarded to businesses that are capable, reliable and, where relevant, meet high ethical standards and values in the conduct of their business. The use of the <a href="#">European Single Procurement Document</a> (ESPD) for all regulated procurements has been particularly valuable in achieving these goals. SRUC also carries out credit checks of suppliers prior to contract award and at regular intervals during the life of a contract. In addition, where appropriate, SRUC requires suppliers to confirm the disclosure or back ground checks that they carry out prior to staff appointment and during employment.</p> <p>SRUC is committed to contracting only with suppliers that comply with all appropriate and relevant legislation. Where appropriate, and on a contract by contract basis, SRUC will assess the legislation applicable to a procurement and take steps to ensure bidders comply with it e.g. Health and Safety, Equality and Late Payment legislation. Where relevant and proportionate the Living Wage and fair work practices of suppliers are also encouraged in tender documentation. At the time of writing this report, the senior procurement manager, in partnership with SRUC's Trade Union representatives, is leading the initiative that will result in SRUC becoming a fully accredited <a href="#">Scottish Living Wage Employer</a>.</p> <p>In line with the provisions of the Modern Slavery Act 2015 (the Act), SRUC has published its first <a href="#">Modern Slavery Act Statement</a> and is fully committed to a zero tolerance policy towards slavery and human trafficking. We are committed to maintaining and improving our systems and processes to avoid any complicity in human rights violations, both in relation to our own operations and those of our supply chain. Our procurement policies and tender processes have been updated to ensure, where relevant, consideration of and compliance with the Act for our main suppliers and their supply chain partners. Finally, to assist our staff and aid their understanding of the impact of Modern Slavery, an e-learning module has been purchased for all staff to complete as part of their annual personal development plan in 2019/20.</p>
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## Section 3: Community Benefit Summary

SRUC is committed to maximising Community Benefits from its procurement activities. For every procurement over £4m, SRUC will consider how it can improve economic, social or environmental wellbeing through inclusion of community benefit clauses, to assist with achieving sustainability in contract activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included in regulated procurements valued at below £4m.

SRUC's approach to identifying community benefit opportunities is carried out on a case-by-case basis, with engagement and consultation with stakeholder groups being seen as key. Where relevant and proportionate to the subject matter of the procurement, the requirement is then built into the procurement specification and into the eventual conditions of contract performance.

As part of the tendering process, suppliers are invited to describe their approach to delivering the community benefits noted in the tender specification. It is important to stress that any community benefits noted are not seen as absolute, and that suppliers are encouraged to identify additional benefits or opportunities that will deliver social value through the performance of a contract.

As noted in the [Scottish Government's Annual Report on Procurement Activity in Scotland 2019](#), relevant community benefits include, but are not restricted to:

- training and qualifications;
- offering advice and assistance on the best practice methodology,
- work placements and job creation opportunities,
- apprenticeships,
- business support for SMEs, third sector and supported businesses,
- volunteering,
- supply-chain development activity,
- curriculum support,
- reduction in environmental impact.

During the reporting period SRUC did not award any contracts over the regulated procurement contract threshold of £4 million.

Community benefits generated by other contracts awarded below the £4 million threshold during the reporting period include:

- the re-use of waste from a road repair contract at Barony Campus;
- elimination of 2.52 tonnes of CO<sub>2</sub> as a result of using a local hire car provider to supply Elmwood Campus;
- payment of the Living Wage to all supplier operatives engaged on the Catering and Cleaning contract which covers Aberdeen, Oatridge, Elmwood and Auchincruive Campuses;
- utilisation of locally sourced produce and local suppliers in the provision of Catering services at Aberdeen, Oatridge and Elmwood Campuses;
- our Safety Wear and PPE supplier has recruited a new member of staff to administer SRUC's account, with wages being paid above the Living Wage;
- provision of a 5% rebate to SRUC's Students' Association on all orders placed with SRUC's Safety Wear and PPE supplier by the Association;

- sponsorship of a Student of the Year prize (including provision of a £300 voucher to spend on golf equipment or clothing and press coverage) by SRUC's golf equipment supplier;
- provision of training modules and site visits by SRUC's golf equipment supplier for 25 HNC students studying at Elmwood Campus;
- implementation of a construction project bank account which was adopted as a payment solution by eight lower tier sub-contractors (five of which are SMEs);

## **Section 4: Supported Business**

For all regulated procurements SRUC considers whether the service provision could be fulfilled by a Supported Business, whilst remaining compliant with EU and Scottish Procurement Legislation, and ensuring value for money for the College. We review the Supported Business register currently available and published by [Ready for Business](#) and [Partnership for Procurement](#), and cross reference the operating areas of listed businesses against the procurement requirement.

SRUC did not reserve any contracts for supported businesses in this period. However, in the same period, purchase orders of £7.9k were placed with an Edinburgh and Lothian supported business in respect of laundry services.

## **Section 5 – Future Regulated Procurements**

SRUC is keen to encourage competition by maximising supplier participation in its procurement process to achieve better value for money in its procurements, and to increase opportunities for SMEs to support all aspects of its activities. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two financial years after the period covered by this report.

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about providing exact details of our requirements. Over a forecast period of two years it is likely that circumstances and priorities will change, so the list of projected individual regulated procurement exercises outlined in Annex B should be viewed with this caveat in mind.

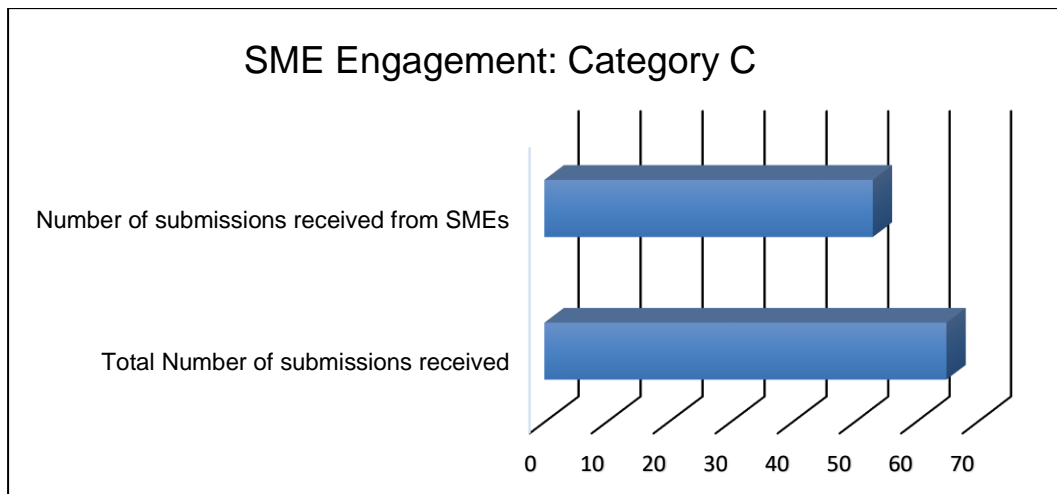
The information provided in Annex B covers:

- the subject matter of the anticipated regulated procurement;
- whether it is a new, extended or re-let procurement;
- the expected contract notice publication date;
- expected award date;
- expected start and end date;
- the estimated value of the contract;
- contract category A, B, C or C1;

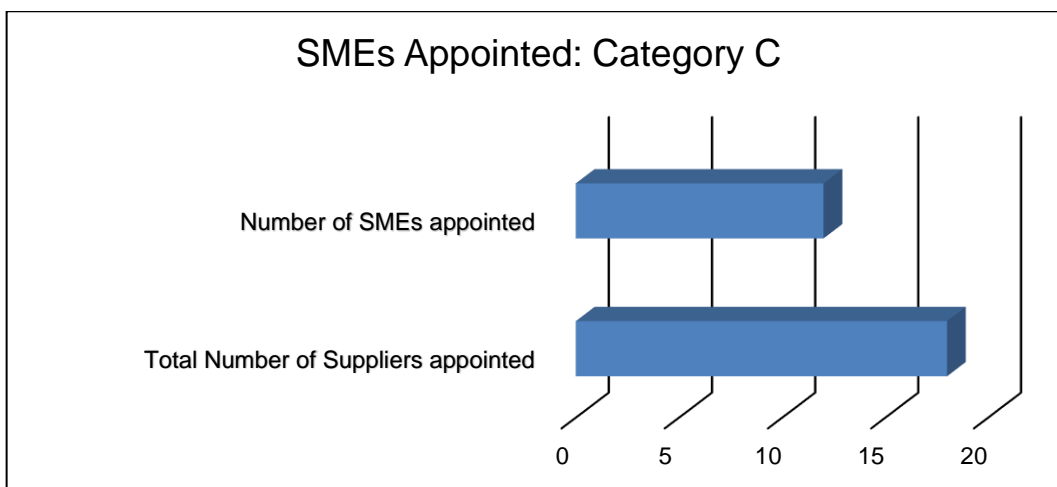


## Section 6 – Other Content for Consideration

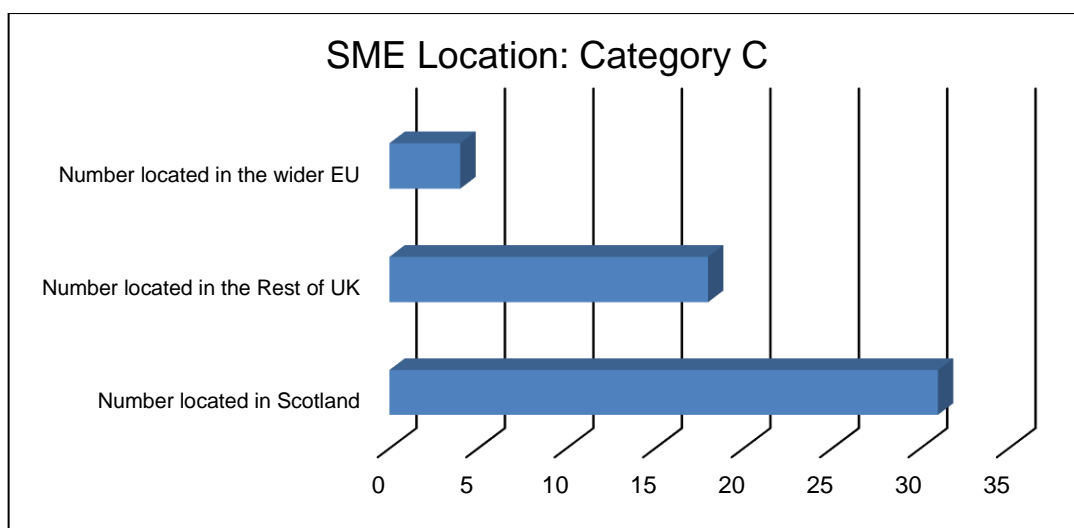
### 6.1 Regulated procurement opportunities for SMEs



SRUC continues to successfully utilise PCS as a key tool to engage with SMEs. Of the 18 Category C opportunities advertised during 2018/19, 82% of submissions were received from SMEs (up from 50% in 2017/18). This increase is in part attributable to the six procurements related to digital technologies, where lower start-up costs and a reduced need to invest in capital equipment favour the smaller business. Only two of our Category C opportunities failed to attract any interest from SMEs.



Across all Category C procurements, we noted a marked increase in the quality of SME tender submissions and the value for money they offered. This resulted in 67% of contract awards being made to SMEs (up from 52% in 2017/18). It was noted that SMEs are able to utilise their specialist expertise to offer innovative solutions, while providing workplaces where diversity is valued, and staff development is seen as the corner stone of future success. These are ethos that SRUC shares. We were particularly impressed at the number of SMEs that offered additional services that went beyond the procurement subject matter, such as student engagement and work experience opportunities. These offers were often made at no added cost to SRUC and demonstrated willingness to place added value before money.



2018/19 was the first year when we recorded statistics on the domicile of SMEs that submitted tenders. As expected, given the advertising of opportunities on PCS, 58% of SMEs are based in Scotland. It was pleasing that despite the uncertainties of Brexit, SMEs from Croatia, Romania, Ireland and France submitted tenders for our consideration. While it is a small number, given SMEs are most vulnerable to economic strains and uncertainties, it suggests that Scotland continues to be seen as a good place to do business. This is especially true as the submitted tenders were for contracts of duration well beyond the date the UK is expected to leave the European Union. Going forward we will seek to monitor the location of all of our supply chain partners and we will continue to use the most appropriate mechanisms to ensure SRUC works with as diverse a portfolio of suppliers as possible.

## 6.2 Procurement and Commercial Improvement Programme (PCIP)

	2016 Interim	2016 Actual	2019 Provisional
<b>SRUC Score</b>	25%	56%	67%

At the time of preparing this report, SRUC's PCIP assessment for the period 2016 to 2019 was completed by APUC and we are very pleased to report that a provisional score of 67% has been awarded. Our score will be confirmed once APUC have completed their assessment of peer organisations within the Sector.

Areas of our procurement activity that we have improved and built on since the 2016 assessment include:

- increased influence of the procurement function in major and routine procurement activity;
- a strengthened link between the procurement strategy and SRUC's organisational strategy;
- proactive delivery of training for Procurement staff, and staff across the organisation that hold delegated purchasing authority;
- an embedded approach to continuous improvement and adoption of recognised best practice procedures;
- an improved understanding of contract coverage and associated risks.

On receipt of APUC's 2019 PCIP report, their recommendations shall be adopted and included within SRUC's Procurement Improvement Plan (PIP). The PIP has proved to be a useful tool for driving continuous improvement, and this will continue to be the case as we work towards SRUC's next PCIP in 2021/22.

### 6.3 Case Study: Construction Project Bank Account



*The Allermuir Avian Innovation and Skills Centre, SRUC Bush Estate*

#### **Background**

SRUC's Allermuir Avian Innovation and Skills Centre (AISC), which will be fully operational in July 2019, was our first procurement, and the first procurement within the Scottish HE Sector, where compliance with the Scottish Government's requirement for the implementation of a Construction Project Bank Account (PBA) was necessary.

In total 14 contractors noted interest in the AISC contract notice. A number of contractors subsequently withdrew their interest with one contractor commenting that the requirement to participate in the operation of a PBA made the contract less attractive for their business. Of the five contractors that did submit tenders, one inserted a caveat into their tender stating that their bid was conditional on a PBA not being utilised. This contractor was disqualified on the grounds that the PBA was a mandatory requirement of the contract. The contract was subsequently awarded to Interserve, who fully participated in the operation and promotion of the PBA to lower tier sub-contractors.

Eight such sub-contractors (representing 35% of sub-contractors employed on the contract, and of these eight, five are SMEs) elected to be paid via the PBA, resulting in an aggregate payment of £1.4 million. Overall the operation of the PBA for the AISC Project has been deemed a success by SRUC. Nonetheless lessons have been learned for future construction projects, and these are highlighted in the tables below which have also been shared with APUC, and the rest of the Scottish HE Sector.

## Lessons Learned

Key Area	Issue(s)	Lessons Learned / Recommendation
PBA Operation	<ul style="list-style-type: none"> <li>Lack of knowledge / experience of operating PBAs within SRUC Procurement, Finance, and Project Delivery Teams.</li> </ul>	<ul style="list-style-type: none"> <li>Early engagement with Procurement, Finance and Project Teams by providing training / knowledge briefing;</li> <li>Establish clear responsibilities and appoint PBA champion to co-ordinate set-up and management of the PBA;</li> <li>Agree payment process and timeline and include in tender documentation.</li> <li>It is anticipated that as the use of PBAs increases, understanding of PBAs will become fully embedded within internal teams.</li> </ul>
Bank Account	<ul style="list-style-type: none"> <li>SRUC's principal banker did not provide a PBA facility.</li> <li>PBA documentation was not fully available before the invitation to tender was issued.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure adequate time is built in to the pre-tender process, particularly around sourcing and/or part completion of PBA account opening forms and Trust Deeds.</li> <li>Recommend opening a banking facility with a supplier that offers PBAs as soon as possible. Due diligence requirements for new bank customers ('Know Your Customer, Know Your Business') are time consuming.</li> <li>It is anticipated that as the use of PBAs increases, more banks will offer the facility and the associated administration will become more efficient.</li> </ul>

Key Area	Issue(s)	Lessons Learned / Recommendation
On-boarding of main contractor	<ul style="list-style-type: none"> <li>• Timescale for main contractor to complete PBA documents and associated Trust Deed.</li> <li>• Lack of knowledge / experience of operating PBAs in Scotland.</li> <li>• PBA operational timeline and associated controls.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate a PBA background briefing pack into tender documents, including links to SG guidance.</li> <li>• Ensure all PBA documents requiring completion by the main contractor are included in the invitation to tender.</li> <li>• Include PBA discussion at ‘Meet the Buyer’ events.</li> <li>• Agree PBA operation as part of contract mobilisation.</li> </ul>
On-boarding of Tier 2 and 3 contractors	<ul style="list-style-type: none"> <li>• Lower than anticipated uptake of PBA by Tier 2 and 3 contractors.</li> <li>• Clarity around engagement between main contractor and Tier 2 and 3 contractors.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with Main Contractor to ensure PBA clauses are included in Tier 2 and 3 contractor Terms &amp; Conditions (including the requirement to retrofit existing contracts).</li> <li>• Invite Tier 2 and 3 contractors to “Meet the Buyer” Events.</li> <li>• Include PBA roll-out to Tier 2 and 3 contractors as KPI and reporting requirement for main contractor.</li> <li>• Incorporate a Tier 2 and 3 contractor PBA briefing pack into tender documents, including links to SG guidance.</li> </ul>
Engagement with Procurement	<ul style="list-style-type: none"> <li>• Procurement Team is not involved in day-to-day operation of the PBA.</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement to engage with PBA Champion on regular basis.</li> <li>• PBA Champion to report on PBA activity including breakdown of invoices between main contractor and Tier 2 and 3 sub-contractors, analysis of invoice dates against payment dates, payment values, PBA uptake, general issues, etc.</li> <li>• Post implementation review to further capture lessons learned.</li> </ul>

## 6.4 Case Study: New Teaching Facilities at Barony Campus



*Proposed building style, SRUC Barony (copyright Wernick.co.uk)*

In December 2017, the Scottish Funding Council (SFC) published its [College Sector Condition Survey](#). The survey of SRUC's Estate identified classrooms within 40 year old modular buildings at Barony Campus as being dilapidated and unfit for teaching purposes. As closure of these classrooms would significantly impact education provision at the Campus, a procurement tender was therefore deemed necessary, with the key objective of delivering modern, fit for purpose classrooms in time for the commencement of the 2019/20 academic year.

SRUC's Property and Estates Group's initial market research provided an indicative budget of £150k for delivery of this project. The Procurement Team identified that [ESPO's](#) Modular Buildings framework agreement would provide a robust and legally compliant means of procurement. In addition, we provided all suppliers on the framework with an opportunity to visit the Campus and discuss the requirement with our Regional Buildings manager. This was seen as key to the development of a realistic specification and a means to enhance supplier understanding of the requirement. The procurement was duly completed in March 2019 with the contract being awarded to Wernick Buildings.

In addition to procurement process benefits of circa £20k, the solution will deliver a number of other gains and sustainability benefits including

- provision of a quality product and service from a recognised market leading and ISO accredited supplier, within SRUC's required timescale;
- engagement of a supplier experienced in delivering space solutions to the FE/HE sector;
- engagement of a supplier committed to sustainable construction and delivery of environmentally sound solutions;
- a fit for purpose, modern, energy efficient building with a manufacturer's design life of 60 years, 5 year product warranty and 25 year Structural Guarantee.

## Annex A: List of Regulated Procurements Completed in the Reporting Period 1 April 2018 – 31 March 2019

### Compliant

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	SME status	Supported Business
Safety Work Wear and PPE (Ref. 4866)	Guthrie Group	14/05/2018	C	30/06/2018	29/06/2020	£250,000	Yes	No
External Audit (Ref. 6888)	EY	21/11/2018	B	01/02/2019	31/01/2021	£180,000	No	No
Internal Audit (Ref. 6889)	KPMG	21/11/2018	B	01/04/2019	31/03/2020	£30,000	No	No
Tax Advisory Services (Ref. 6894)	KPMG	21/11/2018	B	01/02/2019	31/01/2021	£30,000	No	No
Supply of Office, Computer and Library Supplies (Ref. 8125)	Office Depot	01/08/2018	B	01/08/2018	31/12/2019	£70,000	No	No
Applicant Tracking Software (Ref 10882)	WCN plc	03/05/2018	C	08/05/2018	07/05/2021	£23,520	Yes	No
Fire and Security Services and Equipment (Ref. 11427)	FES Support Services Ltd	23/05/2018	B	04/06/2018	03/06/2021	£150,000	No	No
Electrical Services – PAT and Fixed Wire Testing (Ref. 11643)	Comply2 Ltd	16/05/2018	B	02/07/2018	01/07/2021	£330,000	Yes	No
Water Management Services (Ref. 11644)	Integrated Water Services Ltd	26/03/2019	B	01/04/2019	31/03/2022	£178,000	No	No
Portable Fire Equipment (Ref. 11647)	Core Fire Ltd	17/01/2019	B	01/04/2019	31/03/2022	£95,215	Yes	No
BVD Ab ELISA Test Kits (Ref. 11784)	IDEXX Laboratories Ltd	16/05/2019	C	01/06/2018	31/05/2020	£86,000	No	No

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	SME status	Supported Business
Payroll Services (Ref. 11800)	Midland HR	12/07/2018	C	12/07/2018	11/07/2022	£190,830	No	No
Travel Management Services (Ref. 11815)	Click Travel	01/05/2018	B	01/05/2018	31/07/2020	£600,000	Yes	No
AVS Refurbishment (Ref. 11988)	Thomas Johnstone Ltd	01/08/2018	C	20/08/2018	18/01/2019	£672,687	No	No
Fume Cupboards and Safety Cabinets for Veterinary Services, Moredun (Ref. 12179)	Premier Lab Systems Ltd.	04/09/2018	C	05/09/2018	30/01/2019	£50,150	Yes	No
Pension Advisory Service (Ref. 12180)	Mercer Ltd	11/06/2018	C	18/06/2019	17/06/2021	£165,000	No	No
Escape Stair Refurbishment, Edinburgh Campus (Ref. 12212)	William Waugh & Sons (Builders) Ltd	06/11/2018	C	03/06/2019	26/07/2019	£104,164	Yes	No
General Building Works, Barony Campus (Ref. 12213)	William Waugh & Sons (Builders) Ltd	06/07/2018	C	11/07/2018	31/08/2018	£101,989	Yes	No
Gill Health in Salmon (Ref. 12373)	Fish Vet Group Ltd	29/08/2019	C	03/09/2018	02/09/2021	£461,000	No	No
Catering Services (Ref. 12645)	BaxterStorey Ltd	01/04/2019	B	05/08/2019	04/08/2024	£2,137,667	No	No
Cloud Based Cyber Security Defence System (Ref. 12692)	Ping Network Solutions	15/08/2019	C	01/09/2018	31/08/2022	£49,095	Yes	No
Electrical Services Upgrade, Auchtertyre (Ref. 13419)	Pulse Electrical	20/09/2019	C	01/10/2018	31/12/2018	£54,985	Yes	No



Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	SME status	Supported Business
Market Research Services (Ref. 13663)	The Knowledge Partnership	19/12/2018	C	07/01/2019	06/01/2021	£70,000	Yes	No
GIS Software (Ref. 13809)	Think Where Ltd	12/03/2019	C	12/03/2019	11/03/2024	£143,624	Yes	No
Microbiology – Moredun Phase 1 (Ref. 13823)	Marshall Construction	31/05/2018	C	01/06/2018	30/09/2018	£70,352	No	No
Space Planning Consultant (Ref. 13914)	Space Strategies	05/02/2019	C	14/02/2019	13/02/2020	£43,970	Yes	No
Website Redesign and Implementation (Ref. 13998)	Equator	08/04/2019	C	08/04/2019	07/04/2021	£372,344	Yes	No
WAN Services (Ref. 14133)	Daisy Communications Ltd	29/03/2019	B	01/04/2019	31/03/2022	£407,230	Yes	No
Maintenance and Support of Video Conferencing Equipment (Ref. 14290)	AVM Impact Ltd	26/04/2019	B	29/04/2019	28/04/2022	£63,000	Yes	No
Modular Building, Barony Campus (Ref. 14350)	Wernick Buildings	14/03/2019	B	18/03/2019	31/08/2019	£139,920	No	No
ICP Mass Spectrometer (Ref. 14394)	Agilent Technologies LDA UK Limited	11/03/2019	B	11/03/2019	30/04/2019	£99,980	No	No
Fixtures & Fittings, AISC & Moredun (Ref. 14431)	Work Space	01/05/2019	C	05/05/2019	31/05/2019	£67,630	Yes	No
CISCO Hardware Refresh (Ref. 14478)	Ping Network Solutions	11/03/2019	C	11/03/2019	30/09/2019	£54,770	Yes	No

## Non-Compliant

The following contracts were awarded without competitive action:

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Asbestos Risk Management (Ref. 12010)	PCS Asbestos Consultants	16/03/2018	C	02/08/2018	31/03/2019	£25,000	The current provider has carried out asbestos surveys on an ad hoc basis since 2012. To allow time to develop a procurement strategy for asbestos surveys and associated management for the whole of SRUC's estate, and to ensure continuity of service, a direct award was made to PCS Asbestos Consultants for a fixed period of eight months.	The procurement strategy is under development and an invitation to tender is anticipated to be issued in June 2019.
Research Project Video Production (Ref. 12270)	Circa Media	18/04/2019	C	19/04/2018	31/03/2019	£15,000	Circa Media had previously worked on video production projects which produced high quality videos which were well received by stakeholders. Five further videos of a similar nature were required and to ensure consistency in quality, production approach and output, a direct award was made to Circa Media.	To ensure best value for money, future requirements for video production will be subject to quotes being sought in line with SRUC's procurement policy.

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Research cluster workshops (Ref. 12277)	Business Jigsaw	23/04/2018	C	01/05/2018	31/12/2018	£40,680	As part of SRUC's on-going strategy to develop strategic alliances, facilitated workshops were identified as a key means to stimulate discussion between parties. This requires a facilitator with knowledge of both SRUC and potential strategic partners. After market research, Business Jigsaw were best placed to facilitate workshops and a direct award was made.	Market research will be used and where there is more than one potential supplier identified, and to ensure value for money, invitations to quote or tender will be issued.
Current Research Information System (CRIS) (Ref. 12462)	Elsevier BV	02/05/2018	C	02/05/2018	01/04/2022	£177,500	To support SRUC's REF submission, automation of administrative tasks was identified as an important contributor to a successful submission. Options were discussed with Open Access Scotland and PURE by Elsevier was identified as the main platform used by the Scottish HE sector. To ensure consistency of approach, a direct award was made to Elsevier.	Market research will be used and where there is more than one potential supplier identified, and to ensure value for money, invitations to quote or tender will be issued.

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Web User Experience (Ref. 12463)	Uservision	26/04/2018	C	01/05/2018	31/08/2018	£28,500	Beginning with a critical assessment of its website, SRUC is reviewing its entire digital presence. As Uservision has supported previous web based projects for SRUC, they were identified as an effective and efficient means to begin the assessment process. A short term direct award was made for the provision of a review and scoping workshops.	To ensure best value for money, future requirements relating to website development will be subject to quote or tender in line with SRUC's procurement policy.
Political and Stakeholder engagement (Ref. 13406)	Charlotte Street Partners	14/09/2018	C	01/11/2018	31/10/2019	£84,000	To support the communication of SRUC's strategic vision, internal resources have been used, with some success. However, to achieve major public understanding of SRUC and its ambitions external support with political and public affairs expertise was identified as a necessity. After conducting market research, Charlotte Street Partners were awarded a 12 month contract by direct award.	Market research will be used and where there is more than one potential supplier identified, and to ensure value for money, invitations to quote or tender will be issued.

## Annex B: List of Regulated Procurements planned to commence in next two Financial Years, 2019/20 & 2020/21

Category Subject	Owner: Cat A/B/C or C1?	Re-Let, extension or new procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Academic teaching and project supervision in Plantsmanship and Botany	C1	Re-Let	N/A – continuation of Memorandum of Understanding between SRUC and the RBGE	01/05/2019	01/05/2019	30/04/2024	£800,000
Clinical Waste	B	Re-Let	N/A – framework mini-competition	01/05/2019	01/06/2019	31/05/2022	£60,000
Golf and Ground Care Equipment and Maintenance	C	Re-Let	01/08/2019	15/10/2019	01/11/2019	31/10/2024	£900,000
Electricity	B	Re-Let	N/A – continuation of Scottish Procurement framework	01/04/2019	01/04/2019	31/03/2021	£2,500,000
Gas	B	Re-Let	N/A – framework mini-competition	01/08/2019	01/09/2019	31/08/2020	£362,000
Office, Computer and Library Supplies	B	Re-Let	N/A – framework mini-competition	01/12/2019	01/01/2020	31/12/2023	£210,000
Mobile Telephones and associated services	B	Re-Let	N/A – framework mini-competition	01/09/2019	01/09/2019	31/08/2022	£240,000
Hire of Cars and other motor vehicles	B	Re-Let	N/A – framework mini-competition	01/03/2020	01/04/2020	31/03/2023	£320,000
Safety Work Wear and PPE	C	Re-Let	01/02/2020	01/05/2020	30/06/2020	29/06/2023	£800,000
Travel Management Services	B	Re-let	N/A – framework mini-competition	01/05/2020	01/06/2020	31/05/2022	£600,000
Maedi Visna Test Kits	C	Re-Let	01/10/2020	15/11/2020	03/12/2021	02/12/2023	£46,000
Internal Audit	B	Re-Let	N/A – framework mini-competition	01/02/2020	01/04/2020	31/03/2023	£90,000
Fuel Cards	B	Re-let	N/A – framework mini-competition	10/05/2019	01/06/2019	31/05/2022	£375,000

<b>Category Subject</b>	<b>Owner: Cat A/B/C or C1?</b>	<b>Re-Let, extension or new procurement</b>	<b>Expected contract notice publication date</b>	<b>Expected Date of Award</b>	<b>Expected Start Date</b>	<b>Expected End Date</b>	<b>Estimated Value over contract period</b>
Tax Advisory Services	B	Re-Let	N/A – framework mini-competition	31/12/2020	01/02/2021	31/01/2024	£90,000
SAN & Virtualisation Technology	C	Re-Let	01/12/2021	15/01/2022	07/02/2022	06/02/2022	£62,000
Johnes ELISA Test Kits	C	Extension	N/A – provided for within existing contract	01/08/2019	01/10/2019	30/09/2021	£460,000
Agricultural Fertiliser & Lime	C1	Extension	N/A – provided for within existing contract	01/01/2020	05/03/2020	04/03/2022	£350,000
Space Planning Consultant	C	Extension	N/A – provided for within existing contract	01/01/2020	14/02/2020	13/02/2021	£47,000
Pig Livestock Feed	C1	Extension	N/A – provided for within existing contract	01/03/2020	01/04/2020	31/03/2021	£300,000
BVD Ab ELISA Test Kits	C	Extension	N/A – provided for within existing contract	01/04/2020	01/06/2020	31/05/2022	£86,000
MAP DNA Extraction and MAP PCR Test Kits	C	Extension	N/A – provided for within existing contract	01/08/2020	10/09/2020	09/09/2022	£20,000
Cattle & Sheep Livestock Feed	C1	Extension	N/A – provided for within existing contract	01/09/2020	30/09/2020	29/09/2021	£1,000,000
Market Research Services	C	Extension	N/A – provided for within existing contract	01/12/2020	06/01/2021	05/01/2023	£140,000

<b>Category Subject</b>	<b>Owner: Cat A/B/C or C1?</b>	<b>Re-Let, extension or new procurement</b>	<b>Expected contract notice publication date</b>	<b>Expected Date of Award</b>	<b>Expected Start Date</b>	<b>Expected End Date</b>	<b>Estimated Value over contract period</b>
Payroll Services	C	Extension	N/A – provided for within existing contract	01/06/2022	01/07/2022	30/06/2024	£57,000
Clinical Waste	B	Extension	N/A – provided for within existing contract	01/01/2022	07/02/2022	06/02/2024	£62,000
Audio-Visual Teaching Equipment	B	New	N/A – framework mini-competition	13/05/2019	01/06/2019	01/08/2019	£80,000
Lead Project Manager for SW Faculty	B	New	N/A – framework mini-competition	15/06/2019	15/06/2019	14/06/2021	£200,000
LPG fuel	B	New	N/A – framework mini-competition	15/07/2019	01/08/2019	31/07/2021	£120,000
Biomass fuel	B or C	New	01/07/2019	15/08/2019	01/09/2019	31/08/2022	£150,000
General Waste Management	B	New	N/A – framework mini-competition	15/06/2019	01/07/2019	30/06/2022	£350,000
Asbestos Risk Management	B	New	N/A – framework mini-competition	01/08/2019	01/08/2019	31/07/2022	£90,000
Asbestos Removal	B	New	N/A – framework mini-competition	02/09/2019	02/09/2019	31/08/2022	£30,000
Lifting Equipment and Associated Services	B	New	N/A – framework mini-competition	02/09/2019	02/09/2019	31/08/2022	£90,000
Heating, Ventilation & Air Conditioning Systems & Maintenance	B	New	N/A – framework mini-competition	02/09/2019	02/09/2019	31/08/2022	£435,000
Media and Publicity	C	New	29/04/2019	30/06/2019	01/07/2019	30/06/2022	£45,000
Contractor: All Trades	C	New	01/07/2019	30/09/2019	01/10/2019	30/09/2024	£1,750,000



## Annex C - Glossary of Terms

### A, B, C and C1 Contracts

Category A	<b>Collaborative Contracts available to all public bodies</b> <ul style="list-style-type: none"> <li>• <b>Scottish Procurement</b></li> </ul>
Category B	<b>Collaborative Contracts available to public bodies within a specific sector</b> <ul style="list-style-type: none"> <li>• <b>Scottish Procurement</b></li> <li>• <b>APUC and other UK HE Consortia</b></li> <li>• <b>Scotland Excel</b></li> <li>• <b>NHS National Procurement</b></li> <li>• <b>Crown Commercial Service</b></li> </ul>
Category C	<b>Local Contracts for use by individual public bodies</b>
Category C1	<b>Local or regional collaborations between public bodies</b>

**APUC's Code of Conduct** - APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct with respect to their organisation and their supply chain.

**Sustainability Based Benefits** - sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products
- Enhanced Reputation and/or marketing opportunities
- Community Benefits delivery
- Carbon Reduction

Social, equality and / or environmental improvements

**Category Subject** - a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

**Community Benefits** - requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits. Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.





**Contracts Registers** - these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc.).

**Cost Avoidance** - the act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

**Contract management** - or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

**EU regulated procurements** - are those whose values require that they are conducted in compliance with the Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014.

**Flexible Framework** - Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

**Hub (Spikes Cavell)** - The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to: -

- Identify non-pay spend on external goods and services
- Identify key suppliers and how many transactions are made with each
- Highlight common spend across suppliers and categories
- Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made.

For more information, visit the Scottish Government's [Hub](#) page.

**Hunter** - Hunter has been developed by the eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

**Institutional Dashboard** - the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to institutions' key management reporting data being recorded centrally through **Hunter**. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and APR Data. The list of reports is planned to expand to cover savings and PCIP dashboard data.

**Lotting** - the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts

**OJEU thresholds** - OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week - these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive



(2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £181,302, for Works Contracts £4,551,413. Public Contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2020.

**Output Specification** - requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

**Prioritisation** - the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

**Procurement Journey** - the public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

**Procurement & Commercial Improvement Programme (PCIP)** - replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

**PCS (Public Contracts Scotland)** - the national advertising portal used to advertise all public sector goods, services or works contract opportunities.

**PCS-Tender** - the national eTendering system, and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

**Segmentation** - the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

**Small and Medium Sized Enterprises (SMEs)** - encompass –

- Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.
- Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.
- Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

**Social Enterprises** - revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

**Supply Chain** - encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

**Supported business** - an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.



**Supported employment programme** - an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

**Sustain** - the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

**Sustainable Procurement** - 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 for the organisation but also to society, the economy and the environment.

**Third-Party Expenditure** - is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It is defined as including: goods – tangible products such as stationery, which are often also known as supplies. Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally. Works – including construction works and utilities – energy costs. It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.