

Annual Procurement Report 2022-23



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Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated¹ spend of £5 million or more to develop and implement a Procurement Strategy and then review it annually. Organisations (including HE and FE colleges) must also publish an Annual Procurement Report describing the procurement activities conducted during the same period as the Procurement Strategy update.

This is the fifth Annual Procurement Report (APR) published by Ayrshire College. It covers the period of 1 August 2022 to 31 July 2023 and summaries how the College has performed in its procurement activities and on delivery of its [Procurement Strategy](#) and in helping achieve the goal of Ayrshire College being:

“A place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth.”²

In terms of community benefits being realised from contracts, the investment in the new Willie Mackie Skills Hub in Kilwinning, the works contract which was awarded in 2021-22, will be fundamental to the delivery of a first-class learning experience in Ayrshire with the building contractor Ashleigh (Scotland) Ltd has been fully on board with our vision of having students involved throughout the project and has engaged with curriculum to create learning opportunities across all the trades involved. Section 3 provides more details on community benefits delivered by the College.

The process of review and reporting advises what adjustments to the Procurement Strategy are necessary to secure future performance improvements and to enable the College to respond to local, national and global economic, political, social, and financial pressures. The review will take account of the College’s key strategic objectives to 2024 as detailed in [Ayrshire College Statement of Ambition 2030](#) that will support economic and social recovery and contribute to achieving Ayrshire College’s ambitions.

Ayrshire College has analysed its non-pay expenditure and has identified that over the period covered by this report the following expenditure has occurred:

	2022-23		2021-22	
	Number of contracts	Total Value	Number of contracts	Total Value
<u>GPA³ regulated procurements</u> -goods and services worth more than £189,330; works worth more than £4,733,252	goods & services: 1 works: 0	£247,553 £0	goods & services: 4 works: 0	£1,029,360 £0
<u>Lower value regulated procurements</u> -goods and services worth more than £50,000; works worth more than £2 million	goods & services: 10 works: 0	£806,075 £0	goods & services: 5 works: 1	£657,197 £2,038,065

Information on the regulated procurements, sorted into procurement categories, is provided in sections 1 and 2 and additional detailed information is also reported in Appendix 1 of this report.

Ayrshire College’s total non-salary expenditure for 2022-23 was **£13,780,040** (ex VAT). This is up **4%** on 2020-21. The rise in spend is due the works and kitting out of the new skills hub at the Kilwinning campus. Of this the core procurement expenditure, excluding NPD/PFI repayments, was **£7,436,313** with **£5,645,043 (76%)** of regulated expenditure (recorded on the Contracts Register) and **£1,791,270 (24%)** of non-regulated spend.

¹ Regulated procurements are those with an estimated value equal to or greater than £50,000 (≥ £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.

² [Ayrshire College’s Statement of Ambition 2030](#)

³ Public contracts thresholds are revised every 2 years – next due on 01 /01/2024.

Of the College's **£5,6454,043** regulated procurement spend ex works, **£2,563,547 (45%)** went through collaborative Category A, B and C1 contracts and agreements with spend up **19%** on 2021-22.

Ayrshire College had **1,284** active suppliers (2021-22: **1,146**) on its purchase ledger and did business with **721** companies (2021-22: 681) in the reporting period 2022-23. There were **9,397** invoices processed during the year, comparable to 2021-22 with **97%** of them being paid within the payment period. Those paid out with the terms was because of queries over price and or delivery details and did not result in any late payment notices.

Ayrshire College is committed to supporting Ayrshire businesses and recognises that by spending with local businesses our requirements for goods and services can enhance lives and bring social benefits beyond the actual amount spent. For this reason, engaging with and buying from local suppliers, wherever possible, remains a key element of our Procurement Strategy due to the economic, social and environmental benefits it brings. During 2022-23, **281** of the College's suppliers (**22%**) were based in Ayrshire, down from **23%** in 2021-22 with **52%** of all suppliers based in Scotland (**53%** in 2021-22). The College did business with **537** SMEs and **68%** of the total spend, up **10%** on the previous year. This increase was driven by the new skills hub build contractor giving **70%** of the available contracts to SME sub-contractors.

This report comprises five sections which cover mandatory reporting:

- 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

This report has been produced by the Head of Procurement and approved by Ayrshire College's Board of Management on 14 December 2023.



Signed:

Angela Cox

Position: Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

Ayrshire College works to ensure that all its procurements are conducted in an open and inclusive manner.

Full details of regulated procurements completed during the reporting period are set out in **Appendix 1**. That information, coupled with the publication of [Ayrshire College Contracts Register](#) and the systematic use of Public Contracts Scotland and Quick Quotes, assists in providing visibility of the College's procurement activity over the reporting period.

In **Appendix 1** the information is set out to show regulated procurements completed and any Agreement on Government Procurement (GPA) regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from College contracts. For each completed regulated procurement the information provided shows:

- the date of award
- the start date
- the category subject matter
- the name of the supplier
- the status of the supplier, i.e. SME, supported business etc.
- estimated total value of the contract over contract period
- collaborative or College 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, Ayrshire College has made use of national and sector collaborative contracts put in place by Scottish Public Sector Procurement and Advanced Procurement for Universities and Colleges (APUC) to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and the best balance of cost, quality, sustainability and best value for money.

In making its regulated procurements, every care has been taken to ensure that the College awards the 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. In the period covered by this report, the College has conducted all its regulated procurements in compliance with GPA principles of equality, non-discrimination, transparency and fairness.

Procurement activities at Ayrshire College are subject to regular, independent review. In 2019 Ayrshire College achieved a silver band score and is aiming to improve on this when re-assessed under the new Pulse Check review in 2024.

Ayrshire Colleges' procurement policy, procedures and sign off arrangements are consistent with the guidelines set out in the [Procurement Journey](#).

The following table and section states how the College is working to meet the 12 areas of the Procurement Reform Act (PRA) that institutions are required to report on, together with the College's compliance and performance regarding its Procurement Strategy objectives during 2022-23:

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>To sustain and further develop partnerships within the FE/HE sector, with other publicly funded bodies including the College's community partners, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p> <p>Procurement Reform Act Statement-This addresses the college's general policy on consulting and engaging with those affected by its procurements.</p>	<p>In terms of generating knowledge of supply markets, internally the UKUPC Market Insight reports issued quarterly by APUC are circulated to senior management and contract leads to help growth an understanding of supply chain issues and influences and inform procurement decisions and actions within the College.</p> <p>Service delivery innovation (SDI) is the process of creating new or improved ways of delivering services to customers, stakeholders, or beneficiaries and the College continues to contribute to sector contracting plans, providing feedback via surveys on frameworks both national and sector when requested and this year have a College curriculum staff member on the APUC Hair and Beauty framework User Intelligence Group.</p> <p>Procurement is a shared service between the College and APUC and the Procurement Manager is part of the APUC Central and South group of colleges who share procurement information and feedback. The Procurement Manager is also a member of external groups and workstreams including the Ayrshire Community Wealth Building Procurement Workstream; the Scottish Government Head of Procurement sessions; the APUC Procurement Strategy Group for Colleges and EAUC Smaller Institutions Sustainability Meetings.</p>
<p>To work with internal curriculum budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective</p>	<p>Ayrshire College's procurement procedures and activities directly follow the guidelines set out in the Scottish Procurement Journey, with the information easily accessible on the College's intranet procurement pages. On-line procurement awareness training is being developed with Human Resources as part of staff mandatory induction training.</p> <p>Discussing the forthcoming goods and service requirements of the curriculum and support sectors of the College as well as understanding the budget allocations and constraints, together with regular engagement meetings with</p>

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>and co-ordinated purchasing effort throughout the College.</p> <p>Procurement Reform Act Statement- this addresses college's general policy on consulting and engaging with those affected by its procurements; how the college intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose and its general policy on the use of community benefit requirements.</p>	<p>suppliers is critical in developing the correct commodity strategies to deliver value for the college.</p> <p>Procurement is proactive in supporting Ayrshire College aim to achieve its objective ⁴ <i>'of being a place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth... through strong collaboration and partnership working'</i></p> <p>This is achieved internally by engaging with contract leads/budget holders to understand the curriculum and support services procurement requirements for the coming period and by reviewing spend to identify non-regulated purchasing and address duplicate and unwarranted purchasing, increase the benefits of aggregation and ensure procurement regulation compliance.</p>
<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.</p> <p>Procurement Reform Act Statement- this addresses how the college intends to ensure that its regulated procurements will deliver value for money and</p> <p>how the college intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose</p>	<p>Delivering best value for money continues to be a key aim of the College's procurement function. By working with users, budget holders and other stakeholders at the start of the procurement process, procurement ensures consideration is given to the balance of quality, whole life costs and sustainability.</p> <p>Strategic contracts are then managed with the contract leads and supplier performance assessments carried out to ensure that the contract delivers the college requirements and value. A review of the continued need for the contract and the performance of the contractor is conducted before any contract is extended or re-tendered.</p> <p>Along with spend analysis at a College level, the APUC contract and supplier management tool, Hunter, is helping to identify where aggregated purchasing and collaborative opportunities can be established and APUC's Contract Uptake tool aids the review of the College's spend through collaborative frameworks and contracts. In 2022-23 Ayrshire College used collaborative contracts for £2,563,547 or 45% of its purchases which is up on 2020-21. These sector and national frameworks have delivered £158,002 of savings or 6% of Category A and B spend in 2022-23.</p>
<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 Reform Act Statement- addresses how the college intends to ensure that its regulated procurements will be carried out in compliance with its</p>	<p>The procurement function at Ayrshire College as a shared service with APUC that enables the College to access resources such as HE/FE on-line courses, in person courses and webinars organised by APUC, as well as the Scottish Government Public Procurement function and EAUC.</p> <p>Such resources are used to further develop and update procurement knowledge and capability as part of the continuous professional procurement development of the procurement staff member. They also offer the chance for networking and potential collaborative opportunities. Appropriate events and information are also shared with the relevant college manager/contract lead.</p> <p>Formal supplier management meetings are held over the life of regulated contracts with the frequency being dependent on the value and risks involved. These meetings provide an opportunity for all parties to discuss performance, provide feedback, agree contract variations, and plan for future activities. Contract management guidance, performance scorecard and meeting agenda and minute templates are employed as key tools to ensure that the College's contract leads are equipped to realise the benefits over the life of a contract.</p>

⁴ [Ayrshire College's Statement of Ambition 2030](#)

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>duty to act in a transparent and proportionate manner.</p>	
<p>To develop sound and useful procurement management information in order to measure and improve procurement, contract management and supplier performance; in support of corporate planning which is conducted through a fair and transparent process.</p> <p>Procurement Reform Act Statement- Addresses college's general policy on the procurement of fairly and ethically traded goods and services and how the college intends to ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner.</p>	<p>During 2022-23 quarterly procurement update meetings were held between the Procurement Manager and Assistant Principal – to review procurement activity, progress of the improvement plan and spend with a report presented to senior management to provide information on the performance of contracts and to highlight areas which can then be addressed with the support of senior management.</p> <p>The College's procurement policy and procedures reflect the Procurement Journey and all regulated procurements are advertised on Public Contracts Scotland (PCS) and UK Find a Tender. For those procurements below the regulatory thresholds, where appropriate, the College uses PCS Quick Quotes. Where potential suppliers are not registered on PCS, these suppliers are encouraged to do so with the benefits of being registered and guidance on how to register process provided.</p> <p>The College continues to seek opportunities to encourage SMEs to participate in procurement activity. For example, the College uses PCS and PCS Quick Quotes to promote procurement activity and during the reporting period of 7 of the 11 regulated contracts awarded were to SMEs.</p> <p>The College's contract and supplier management toolkit is used in conjunction with contract leads for key contracts to measure and manage the effectiveness of the contract. Collaborating with contractors to obtain the management information allows key performance indicators to be scored and sharing the results with the contractor helps to develop the relationship between them and the college as well as facilitate where innovation and improvement might be developed within the contract.</p>
<p>To embed sound ethical, social, and environmental policies within the College's procurement function and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty.</p> <p>Procurement Reform Act Statement- Addresses how the college must set out how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty.</p>	<p>The College's strategic objective of responding '<i>to the climate change emergency by being environmentally responsible, embedding sustainability in our learning and teaching and business operation</i>⁵' along with its sustainable procurement duties is a driver in ensuring that, in all its regulated procurement activities the environmental, social and economic issues and impacts are considered with the College utilising tools such as whole life cycle mapping, sustainability testing and prioritisation.</p> <p>As required in the PRA, and where relevant and proportionate, the requirement for contractors to pay the Living Wage is incorporated into procurements. All contractors are encouraged to have Fair Work practices.</p> <p>APUC's Sustain Supply Chain Code of Conduct is included in all regulated procurements with suppliers being required to confirm they and their supply chains, will adhere to the Code of Conduct.</p> <p>Ayrshire College has published its own Modern Slavery Act Statement and complies with its duties under the Modern Slavery Act by seeking to only to contract with suppliers that comply with all appropriate and relevant legislation and updated annually.</p> <p>The College has tagged those key suppliers that are participating in the Ecovadis sustainability assessment scheme where environmental, labour and human rights ethics and sustainable procurement is evaluated.</p> <p>The College continues to source the majority of its fresh food requirements from AUPC and TUCO frameworks to ensure that the food is sourced from suppliers operating to the highest standards of animal welfare and it is using hot beverage ingredients sought from fair trade suppliers.</p>

⁵ [Ayrshire College's Statement of Ambition 2030](#)

Other Procurement Reform Act Statement Reporting:

In accordance with the government's policy to embed prompt payment performance in supply chains through procurement processes, the prompt settlement clause in College's conditions of contract has been updated and tenders require bidders to have systems in place so that their full supply chain is paid on time and in accordance with the terms of the contract. The College paid **97%** of its invoices within the period and those out with that timescales were delayed due to queries or disputes over evidence of delivery or price.

It was a contractual requirement for the building of the new skills hub that all sub-contractors were paid within the 30-day period and the contractor complied with this.

The College requires contractors and subcontractors to comply with the Health and Safety at Work Act 1974 (c.37) and any provision made under that Act. All contractors conducting works within the College campuses must be Site Safety in Procurement (SSIP) scheme members and submit risk assessments and method statements prior to work commencing on site.

Although the College has not awarded a contract over £4m in the reporting period it does consider what Community Benefits can be included in regulated procurements and more detail of the community benefits realised in 2022-23 is given in Section 3 of this report.

The College will always consider the Scottish Government supported business framework when sourcing relevant goods and third sector bodies and supported businesses are always considered for relevant procurement activities.

Section 3: Community Benefit Summary

In line with the Procurement Reform Act and sustainable procurement, the College's policy on identifying community benefit requirements is to consider on a case-by-case basis, the relevance and proportionality 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 were invited to describe their approach to delivering community benefits or achieving social value through a contract, where relevant. Relevant community benefits included the following:

- providing training opportunities (e.g. Toolbox talks) with students and staff
- offering advice and assistance on the best practice methodology
- student work experience and employment
- apprenticeships
- local sub-contractor opportunities available to SMEs, third sector and supported businesses
- direct involvement in community-based schemes or programmes
- educational support initiatives
- to minimise environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

Community benefits realised during 2022-23 included:

- At the College's new Kilwinning campus skills hub eight students received on-site work experience across brick laying, carpentry, plumbing and electrical works. The students were selected via an interview in conjunction with College staff.

The builders, Ashleigh (Scotland) Ltd, is also a sponsor of the 2022-23 graduation celebrations and 84 staff and trades class students all got to participate in a visit to the site during the build.

In line with the contract Ashleigh reported that 70% of the work sub-contracted was to SMEs and 40% of those were Ayrshire businesses.

- Other projects included donated materials from timber supplier, to allow joinery students to use their training to delivery several community projects including buddy benches and bee hives.

Section 4: Supported Business Summary

The College reviews each procurement to determine whether it could be fulfilled by a Supported Business, whilst remaining compliant with GPA and Scottish Procurement Legislation and ensuring value for money for the College (using the only Supported Business [Register](#) currently available and published by STUC).

In 2022-23 Ayrshire College did not reserve any contracts for supported businesses. It did spend **£22,672** with Hey Girls Ltd under the period dignity programme.

Section 5: Future Regulated Procurements Summary

Ayrshire College is keen to encourage competition by promoting optimal participation in its procurement process and achieve better value for money in its procurements. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two budget years after the period covered by this report. The list of projected individual regulated procurement exercises is outlined in **Appendix 2**. It is expected that there will be circa **14** current contracts that will re-let or considered for extension. These **14** contracts have an estimated contract value of **£1,305,630**.

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about the details of the actual College requirements. Over a forecast period of two years, it is very probable that circumstances and priorities will change so the list of projected individual regulated procurement exercises outlined in Appendix 2 should be viewed with this in mind.

The information provided in Appendix 2- List of Future Regulated Procurements 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.

Appendix 1: List of Regulated Procurements (Compliant and Non-Compliant) Completed in 2022-23

Compliant:

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date	Value over contract Period ex VAT	SME status	Supported Business
Supply of Staff Compliance Course Training E- Learning & LMS Platform	C L Consortium Ltd	12/09/2022	C	03/10/2022	02/10/2024	£62,640	small	no
Supply and Support of Citrix Licences 2022	CDW Limited	13/09/2022	B	03/10/2022	02/10/2023	£105,162	medium	no
Washroom Solution for Ayrshire College	Personnel Hygiene Services Limited	01/10/2022	B	01/10/2022	30/09/2025	£62,000	large	no
Support and Maintain HR and Payroll System	MHR International UK Ltd	21/11/2022	B	21/11/2022	20/11/2027	£247,553	large	no
Ayrshire College Inter-site WAN Connectivity 2023	adEPT Technology Group Plc	15/03/2023	B	26/04/2023	25/04/2026	£168,308	large	no
Digital Transformation Consultancy	Lion & Gazelle Ltd	15/05/2023	C	15/05/2023	14/11/2023	£57,600	micro	no
Foundation Students Transport Services 2023	Ayr Citadel Taxis; B&G Contracts Ltd; Hurlford Radio Cars Ltd; Sam Prow Taxis	22/05/2023	C	06/06/2023	05/04/2024	£55,000	small	no
Catering Equipment Maintenance & Repair	React Catering Services Limited	12/06/2023	B	12/06/2023	11/06/2025	£50,000	small	no
ICT Cabling Installation in Ayr and Kilwinning Campuses	ACI Integrated Solutions	21/07/2023	C	31/07/2023	30/01/2024	£59,560	medium	no
Tail End Spend with Amazon	Amazon	12/10/2022	B	12/10/2022	31/01/2026	£75,000	large	no
Hair and Beauty 2023	College Kits Direct Ltd	11/07/2023	B	01/08/2023	31/07/2024	£110,805	small	no

Non-Compliant: None

Appendix 2: List of Regulated Procurements planned to commence in next two Financial Years, 2023/24 & 2024/25

Category Subject	Owner: Cat A/B/C or C1?	New, extended or re-let procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Citrix Licence Support and Maintenance	A	Re-let	15/09/2023	26/09/2023	01/10/2023	02/10/2024	£87,000.00
Student Psychological Assessments	C	Re-let	04/09/2023	22/10/2023	02/11/2023	01/11/2026	£67,200.00
Supply of Fresh Fruit and Vegetables	B	new	02/10/2023	23/10/2023	01/11/2023	31/10/2025	£52,000.00
ICT Back-up (VEEAM)	B	Re-let	04/09/2023	15/09/2023	01/10/2023	30/09/2024	£60,000.00
Support and Maintenance Software System		Re-let	13/11/2023	10/02/2024	01/03/2024	28/02/2025	£60,000.00
Supply of Biomass Pellets	C	Re-let	04/12/2023	10/03/2024	04/04/2024	03/04/2027	£210,000.00
Training Management Software	C	Re-let	04/12/2023	13/02/2024	04/03/2024	03/03/2026	£53,280.00
Associate Trainers DPS	C	Re-let	22/01/2024	11/06/2024	01/07/2024	30/06/2027	£120,000.00
ACES Student PPE Clothing	B	Re-let	01/02/2024	04/05/2024	24/05/2024	23/05/2026	£73,500.00
Hospitality Students Clothing and Kits	B	Re-let	18/03/2024	12/07/2024	01/08/2024	31/07/2026	£85,000.00
Kitchen and Ventilation System Deep Cleaning Service	B	Re-let	30/05/2024	10/08/2024	30/08/2024	29/08/2027	£75,000.00
Mobile Telephony Service	A	Re-let	31/10/2024	28/12/2023	17/01/2024	16/01/2027	£50,000.00
Student Records System	B	Re-let	13/06/2025	15/07/2025	04/08/2025	03/08/2028	£250,000.00
Staff Compliance Course E-Learning Platform	B	Re-let	01/07/2025	13/09/2025	03/10/2025	02/10/2027	£62,650.00

Glossary of Terms

A, B, C and C1 Contracts (Who buys what?)

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

APUC- Advanced Procurement for Universities and Colleges (APUC Ltd Reg. No. SC314764)

APUC's Sustain Supply 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 Sustain Supply Chain Code of Conduct with respect to their organisation and their supply chain.

BT14 – 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 is 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 are 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 college 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.

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

GPA is an agreement between members of the World Trade Organisation (WTO) to mutually open government procurement markets among the parties included in the agreement.

Government Procurement Agreement (GPA) Procurement Thresholds The Thresholds as set out by the World Trade Organisation. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £189,330, for Works Contracts £4,733,252. Public contracts (GPA) thresholds are revised every 2 years – this is next due on 01/01/2024.

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.

College Dashboard – the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to Colleges' 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 Annual Procurement Report Data. The list of reports is planned to expand to cover savings and Procurement & Commercial Improvement Programme 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.

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 is 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 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-Tender is 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 are 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.

Supply Chain Management Programme (Sustain) is 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 Colleges and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain.

Supported business means 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 means 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.

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, i.e. 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.

[NOTE: reference to contract is also to be construed as meaning a Framework Agreement]

<u>1. Organisation and report details</u>	
a) Contracting College Name	Ayrshire College
b) Period of the annual procurement report	01/08/22 to 31/07/23
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<u>2. Summary of Regulated Procurements Completed</u>	
a) Total number of regulated contracts awarded within the report period	11
b) Total value of regulated contracts awarded within the report period	£1,053,628
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	10
i) how many of these unique suppliers are SMEs	4
ii) how many of these unique suppliers how many are Third sector bodies	0
<u>3. Review of Regulated Procurements Compliance</u>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	11
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<u>4. Community Benefit Requirements Summary</u>	
Use of Community Benefit Requirements in Procurement:	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	3

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting college sets its own priority groups</i>)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	8
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£1,344,233
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	0

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	5
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	2
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	9,397
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	97%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	11
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£22,612
i) spend within the reporting year on regulated contracts	£22,612
ii) spend within the reporting year on non-regulated contracts	£0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£5,645,043
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£5,256,140
c) Total procurement spend with Third sector bodies during the period covered by the report.	£0
d) Percentage of total procurement spend through collaborative contracts.	45%
e) Total targeted cash savings for the period covered by the annual procurement report	Target not set
i) targeted cash savings for Cat A contracts	Target not set
ii) targeted cash savings for Cat B contracts	Target not set
iii) targeted cash savings for Cat C contracts	Target not set
f) Total delivered cash savings for the period covered by the annual procurement report	£159,387
i) delivered cash savings for Cat A contracts	£25,298
ii) delivered cash savings for Cat B contracts	£132,704
iii) delivered cash savings for Cat C contracts	£1,385
g) Total non-cash savings value for the period covered by the annual procurement report	£302,062

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	14
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£1,305,630

Ayrshire
College 

