Ayrshire College

Annual Procurement Report

For the period:

1 August 2019 to 31 July 2020

Contents

Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated spend of £5 million or more to develop a procurement strategy and then review it annually.[1] This requirement took effect from 31 December 2016. Organisations (including HE and FE colleges) required to develop and publish a procurement strategy were also required to publish an Annual Procurement Report, reflecting on the relevant reporting period of the procurement strategy.

This is the third Annual Procurement Report published by Ayrshire College and covers the period of 1 August 2019 to 31 July 2020. It address how the College has performed in achieving its stated outcomes and its procurement strategy[2]. This process of review and reporting identifies where adjustments to the procurement strategy are deemed necessary to ensure that the College is able to make improvements in its procurement performance and be in a position to respond to future economic, political and financial influences.

The development of the current and future procurement strategies are the outcome of consultation and discussion with internal and external stakeholders who have an interest in the College's approach to procurement and its impact. Stakeholder engagement also features in the annual assessments of the achievement of regulatory compliance, strategic objectives of the College, value for money [defined as the best balance of cost, quality and sustainability] and delivering the College's broader aims and objectives, in line with Scotland's National Outcomes. This process of annual review and reporting will continue to inform any adjustments to the procurement strategy deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which the College may need to adjust.

Ayrshire College has analysed its third party expenditure and has identified that over the period covered by this report the following expenditure has occurred:

- EU regulated procurements [goods and services worth more than £189,330; works worth more than £4,733,252] [3]:-There were no such procurements completed[4] during the reporting period.

- Lower value regulated procurements' [goods and services worth more than £50,000, works worth more than £2 million]:- There were seven such procurements completed during the reporting period. These amounted to £480,103.

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

Ayrshire College's total non-salary expenditure for 2019-20 was £12,092,960 (ex VAT) of which the total procurement expenditure, excluding NPD/PFI repayments, was £5,724,562 with £1,841,708 of regulated expenditure (recorded on the Contracts Register) and £3,882,854 of non-regulated spend.

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[1] '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).
[2] Ayrshire College Strategy
[3] Public contracts (EU) thresholds are revised every 2 years – next due on 01 /01/2022
[4] Completed when the award notice is published or where the procurement process otherwise comes to an end - covers contracts and framework agreements

Of the College's regulated procurement spend £1,731,064 (47%) went through collaborative Category A, B and C1 contracts and agreements.

Ayrshire College had 1,099 active suppliers on its purchase ledger and did business with 742 companies in the reporting period 2019-20. Of the 742 suppliers 24% were based in Ayrshire (27% in 2018-19). Ayrshire College continues to be committed to supporting local businesses. 31% of suppliers were based in the rest of Scotland (30% in 2018-19). Of the remaining suppliers, 44% were based in the rest of the UK, 0.9% in the European Union and 0.1% in the rest of the World.

77% of procurement spend was with SMEs. This was an increase of 1% from 2018-19. SMEs constituted 86% of the total of active suppliers and 10 SMEs featured in the award of regulated procurements.

This report comprises five sections which address mandatory reporting requirements. These five sections are as follows:

- **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**

Report Approved 10 December 2020
By Ayrshire College Board of Management

Signed

Position Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

Ayrshire College carries out all its procurements in an open and inclusive manner. Procurement objectives are aligned to the College's Strategic Plan, in particular the cross-cutting theme of "continuous improvement in everything we do"[5].

The details of regulated procurements completed during the reporting period are set out in **Appendix 1** with details summarised in **Annex A**. That information, coupled with the publication of Ayrshire College Contracts Register and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete 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 EU regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from College ones. For each completed regulated procurement the information provided shows:

- the date of award
- the start dates
- the category subject matter
- the name of the supplier
- estimated value of the contract – total 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
- SME / supported business

Section 2: Review of Regulated Procurement Compliance

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

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 EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

Successful delivery of Ayrshire College's Procurement Strategy objectives is part of a shareholder valued, continual improvement process. The Scottish Government Procurement & Commercial Improvement Programme is a useful tool through which the College is assessed periodically, and which can provide valuable benchmarks indicating where improvements can be made, consulted over and the necessary actions planned.

The College was assessed by APUC, in 2016 and again in October 2019 and its score moved from bronze into the silver grade. The College works to continuously improve and enhance its existing arrangements. The College is aiming to achieve gold category standard in time for the next assessment due in 2021.

Ayrshire Colleges' procurement policy, procedures and sign off arrangements are consistent with the guidelines set out in the Procurement Journey. The College has met the objectives and obligations set out in its Procurement Strategy (Table 1).

Table 1 – Ayrshire College's Achievement of Procurement Strategy Objectives

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
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.	The College as a member of APUC attends the procurement strategy groups for colleges. In this reporting year the College engaged with the University of West of Scotland (UWS) with regard to collaborative procurement opportunities. As many students in Health and Social Care move onto university after college, collaboration in the agreement for moving and handling training means that students do not need to undertake further training for their degree course. This resulted in a saving in cost and time for both institutions and students. Market research and meetings with both current and potential suppliers ensures the engagement of the supply market in future procurements and help explains key initiatives such as the Scottish Government's Supplier Journey. The issue of a PIN for an on-line supplier event, attended by 65 potential providers gave the opportunity to explain and promote the benefits of public procurement processes, provide an overview of tender documents

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	(including the ESPD) and explain how to submit a tender to providers who are often sole operators. The College is an active member of Environmental Association for Universities and Colleges (EAUC) which supports HE and FE institutions across the UK and Ireland on environmental and sustainability issues. Across all departments 25 college staff are registered with EAUC.
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 and co-ordinated purchasing effort throughout the College.	The College's procurement activities follow the guidelines set out in the Scottish Procurement Journey. This facilitates procurement best practice, transparency and consistency with other Scottish public sector organisations. It also assists with delivery of Ayrshire College Strategic Plan 2017-2020 goal of playing a central role in building a strong, vibrant and inclusive Ayrshire by engaging with local businesses to participate in procurement through direct engagement, advertising opportunities on PCS, use of PCS Quick Quotes, and where appropriate lotting in tenders for the college's requirements. As required in the procurement journey, for regulated spend categories and commodities strategies are developed and agreed in consultation with the key budget holders, managers, end users and suppliers in order to deliver innovation, to improve skills and competencies and to identify the most appropriate procurement routes to market that will deliver best value outcomes. In this reporting year, this would be the issue of a dynamic purchasing system for associate training provision. This procurement route was decided upon after consulting with relevant stakeholders. These included other colleges, the Ayrshire Chamber of Commerce and Industry, internal stakeholders and engaging with current and potential training providers.
To promote the delivery of value for money through good procurement practice such as adoption of the Scottish Government Procurement Journey and increased spend through regulated procurement and use of procurement collaboration opportunities.	To ensure value for money is delivered for all regulated and lower value procurements, the College's Procurement function works with users, budget holders and other stakeholders impacted by the procurement. Careful consideration is given to the balance of quality between whole life costs and sustainability. Working with key departments to manage major contract and carry out supplier performance assessment helps to ensure that the balance of price and quality is provided throughout the life of a contract procurement. A review of the continued need for the contract and the performance of a contract is carried out before any contract is extended or re-tendered.

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	On-going monthly analysis of spend is carried out to identify aggregation opportunities. For example, this could be through joint purchasing with other departments internally and also what can be sourced through the use of local, regional and national framework agreements. This is reported on quarterly within the College and reported to APUC annually The use of tools such as APUC's Contract Uptake aids the review of spend through collaborative frameworks and contracts. In 2019-20 Ayrshire College used collaborative contracts for 63% of its purchases. These meant that the College benefited from improved contract terms, contract and supplier management, sustainable procurement outcomes and the best balance of cost, quality and sustainability. During the reporting period, it is estimated that savings via Cat C contract were £37,706 and savings through framework agreements were £152,994.
To seek out professional development opportunities to enrich and enhance experience and capability of procurement within the College	Performance reviews of Procurement are carried out quarterly. In addition, continuous professional procurement development training events are attended where required. These can be HE/FE events organised by APUC or EAUC as well as wider public sector such as Procurex. E-learning resources such as on-line courses and webinars are also used to further develop procurement knowledge and capability. Internal training of staff with procurement and purchasing responsibilities is in place with additional guidance available on the College's intranet for reference. In 2019-20 this has been enhanced with the adoption and roll-out of training for budget holders and users on the College's electronic purchase to pay system.
To work with key suppliers to ensure continued value, managed performance and minimise risk throughout the life of contracts for the benefit of stakeholders and students.	Contract and supplier management guidance, scorecards and meeting notes templates have been introduced for use with identified key suppliers and contracts. Key performance indicators are adopted from the relevant frameworks for call off contracts and added to regulated Category C contracts as applicable for use in scoring and managing performance of the contract and supplier. A contract risk register is maintained to prioritise contracts and to identify the frequency that the contracts need reviewed.
To develop sound and useful procurement management information in order to measure and improve procurement,	Regular analysis of expenditure is carried out to provide management information. Data from the College's finance system is analysed on a quarterly basis. In addition, the College uses annual spend data from the APUC Hub, information form the Hunter database and internal discussions regarding budget planning to inform future procurement

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
contract management and supplier performance; in support of corporate planning which is conducted through a fair and transparent process.	activities. General Ledger data can be queried down to invoice level with provides a greater understanding of spend. In turn this allows expenditure to be consolidated and cost efficiencies to be sought. As mentioned, a College contract and supplier management toolkit is being implemented with contracts identified as key to the College's operations. The toolkit is aimed at measuring contract and supplier performance for use in managing the effectiveness of the contract and the relationship with the contractor. Scorecard and meeting notes templates to be used in conjunction with the KPIs incorporated into the contract. Communicating the results internally and with the supplier will improve procurement and supplier performance. The focus going forward is to have the contract and supplier management toolkit put into effect proportionately across all regulated procurements.
To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish, UK and EU legislation in performance of the sustainable procurement duty.	The College's procurement process ensure its regulated procurement comply with its sustainable procurement duties by considering environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning stage utilising tools including the sustainability test and the life cycle impact assessment as part of the contract strategy. 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. Where relevant, such as sourcing clothing for students sports kit, tenderers were asked, as part of the evaluation, to evidence how they monitor their supply chain against the International Labour Organisation (ILO) conventions on social and labour issues. Ayrshire College 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 has published its own Modern Slavery Act Statement. The College, as a Living Wage accredited employer, recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. Where relevant and proportionate, the College considers the fair work practices of suppliers in its procurements, including application of the living wage. Although the College has not awarded a contract over £4m in the reporting period it does consider what Community Benefits can, on a proportionate basis, be included in regulated procurements. The Scottish Government supported business framework is always

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	considered when sourcing relevant goods and Third sector bodies and supported businesses are always considered for relevant procurement activities.

Other areas of the college's sustainable procurement duties not covered above:

- **Promoting Compliance with the Health and Safety at Work Act 1974**
  Ayrshire College is a Healthy Working Lives accredited organisation. The College is committed to contracting only with suppliers that comply with Health and Safety legislation. All contractors carrying out works for the College must have Site Safety In Procurement (SSIP) certification. This also applies to all sub-contractors.

- **Procurement of Fairly and Ethically Traded Goods and Services**
  The College considers including the relevant standards and labels, as appropriate, in all its procurement activity and uses only fair trade beverage products in its catering and hospitality operations.

- **The provision of food and improving the health, wellbeing and education of communities in the College's area, and the promotion of the highest standards of animal welfare**
  The College is through its Catering and Hospitality Food Supply framework sourcing foodstuffs to the highest standard of production and animal welfare.

  The Catering and Hospitality management are working with suppliers to continue to identify innovations that can be adopted by the College to improve the health and wellbeing of students and staff.

- **Payment terms**
  The College recognises the importance of paying suppliers promptly once goods or services have been delivered. Standard payment terms are within 30 days of the date of receipt of a valid invoice although in exception circumstances, these payment terms may be reduced. In the Year 2019-20 88% of the 9,362 invoices received were paid within 30 days. Invoice payment runs used to be monthly. The College has however changed to weekly payment runs. This ensures that on average invoices were paid within 28 days.

Section 3: Community Benefit Summary

For every procurement over £4m, Ayrshire College considers how it can improve the economic, social or environmental wellbeing of its area through inclusion of community benefit clauses. These clauses assist with achieving sustainability in contracts activity. For example this can include targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant, proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included by the College in regulated procurements valued at below £4m.

The College's policy on identifying community benefit requirements is, in consultation with stakeholders, 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.

Where applicable, as part of the tendering process, suppliers are invited to describe their approach to delivering community benefits or achieving social value through a contract. Relevant community benefits include:

- providing 'upskilling' 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, 3rd sector and supported businesses,
- direct involvement in community based schemes or programmes,
- curriculum support and sponsorship initiatives,
- to minimise environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

During the period 1 August 2019 to 31 July 2020 Ayrshire College did not award any contracts over the £4 million regulated procurement contract threshold.

Community benefits were generated by other contracts awarded below the £4 million threshold during the reporting period. These included the following two examples:

- support from the Scottish Government contractor for washroom solutions and sanitary products, Hey Girl, for period poverty campaign with free product, information and presentations
- Architects Services contractor based in the Ayrshire area, actively involved in several local projects such as the Fullarton Connexions community group and a member of North Ayrshire Skate Group providing new outdoor leisure facilities for Stevenston, Kilwinning, Irvine and Largs.

Section 4: Supported Business Summary

For all procurements, Ayrshire College assesses each as to whether the goods required or 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. The Supported Business register published by Ready for Business is used to check for potential providers.

In the period 1 August 2019 to 31 July 2020 Ayrshire College did not reserve any contracts for supported businesses. During this period £370 of spend was however placed with a local supported business for laundry services and £11,785 with the supported business contracted under the Government Period Poverty scheme.

Section 5: Future Regulated Procurements Summary

Ayrshire College ensures it achieves best value for money in its procurements through competition by promoting optimal participation in its procurement processes. 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. This list of projected individual regulated procurement exercises is outlined in **Appendix 4.**

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about providing details of actual 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 4 should be viewed with this caveat in mind.

The information provided in the list of Future Regulated Procurements in Appendix 4 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 Reporting Period 1 August 2019 to 31 July 2020

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
Foundation Apprenticeship Students Transport Framework	Ayr Premier Taxis; B & G Contracts Ltd; Bennetts of Kilwinning; McGhees Taxis; Neils Private Hire; Sam Prow Taxis	01/08/2019	C	18/08/2019	18/06/2020	£50,000	micro/ small	no
Supply & Delivery of Specialist PCs	Overclockers UK Ltd	15/08/2019	C	15/08/2019	31/01/2020	£54,570	small	no
Supply, Installation and Support of Health and Safety Management system	BCD Safety & Business Support Ltd t/a Effective Software Ltd	15/10/2019	C	15/10/2019	14/10/2020	£50,400	medium	no
Architects Services for Kilwinning New Build	Thomson Hunter Architects Ltd	15/08/2019	C	21/05/2020	20/11/2021	£66,800	micro	no
Provision of ICT Security Professional Services	Barrier Networks Ltd	11/10/2019	C	11/10/2019	10/10/2022	£60,000	medium	no
Legal Services- People Matters	Anderson Strathern	04/05/2020	B	04/05/2020	03/05/2022	£60,000	large	no

Non-Compliant

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
Copying and Printing Provision 2020 Interim Extension	Ricoh UK Ltd	01/04/2020	C	01/04/2020	31/03/2021	£166,000	No formal tender or mini-tender under a framework agreement carried out	The one year interim contract was due to the Covid-19 lockdown not allowing access to the Colleges buildings for potential tenderers and also for removal and replacement of mfds. Intention is to have carried out a mini-tender under the Scottish Government Cat A framework before 1 April 2021.

Appendix 2 - List of Regulated Procurements with Community Benefit Requirements Fulfilled

No regulated procurements were awarded with community benefits by Ayrshire College during the reporting year 1 August 2019- 31 August 2020

Appendix 3 - List of Regulated Procurements placed with Supported Businesses

No regulated procurements were awarded to supported business by Ayrshire College during the reporting year 1 August 2019- 31 August 2020

Appendix 4: List of Regulated Procurements Planned to Commence in the Next Two F/Ys 20/21 and 21/22

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 (£)
Supply of Staff Compliance Course Training E- Learning & LMS Platform	C	re-let	06/08/2020	05/10/2020	05/11/2020	05/11/2023	62,640
Supply, Install, Support and Maintain HR and Payroll System	B	extended	08/08/2020	07/10/2020	07/11/2020	07/11/2023	68,500
Supply and Support of Software Licences- Citrix	A	re-let	07/09/2020	06/11/2020	01/10/2020	01/10/2021	74,426
Kilwinning New Build	C	new	01/12/2020	11/01/2021	25/01/2021	30/04/2021	870,000
Provision of Legal Services- General	B	extended	19/12/2020	17/02/2021	20/03/2021	19/03/2024	56,700
Provision, Support & Maintenance of Curriculum Timetabling System	C	re-let	20/12/2020	18/02/2021	21/03/2021	20/03/2024	52,000
Supply and Delivery of Biomass Pellets	C	re-let	25/12/2020	23/02/2021	26/03/2021	25/03/2024	278,700
Grounds Maintenance for Ayr, Irvine & Kilmarnock Campuses	C	re-let	31/12/2020	01/03/2021	01/04/2021	31/03/2024	60,000
Ayrshire College Inter-site WAN Connectivity	B	extended	25/01/2021	26/03/2021	26/04/2021	25/04/2024	175,000
Student VLE Platform Hosting	B	re-let	10/02/2021	11/04/2021	12/05/2021	11/05/2024	50,150
Internal Audit	B	extended	01/04/2021	31/05/2021	01/07/2021	30/06/2024	66,240
Supply of Printing & Copying Machines	A	re-let	01/04/2021	31/05/2021	01/07/2021	30/06/2024	166,000
Supply of Hot Beverage Machines & Products	B	re-let	09/04/2021	09/06/2021	09/08/2021	08/08/2025	85,000

Provision of IT System Support and Professional Services	C	re-let	18/04/2021	17/06/2021	18/07/2021	17/07/2024	125,000
Supply of Fresh, Chilled, Frozen and Ambient Foods to Ayrshire College	B	re-let	02/05/2021	01/07/2021	01/08/2021	31/07/2024	800,000
Non-life Insurance for Ayrshire College	B	extended	02/05/2021	01/07/2021	01/08/2021	31/07/2024	530,000
Waste Collection Services	B	re-let	17/05/2021	16/07/2021	16/08/2021	15/08/2024	225,000
Finance System Support and Maintenance	B	re-let	23/11/2021	22/01/2022	22/02/2022	21/02/2025	82,902
Legal Services- People Matters	B	extended	02/02/2022	03/04/2022	04/05/2022	03/05/2025	60,000
Maintenance and Support of Telephone System	B	re-let	12/04/2022	11/06/2022	12/07/2022	11/07/2025	114,376

Annual Procurement Report   **Annex A**

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

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1. Organisation and report details

a) Contracting Authority Name	Ayrshire College
b) Period of the annual procurement report	01/08/19 to 31/07/20
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? *(Yes / No)*	Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period	7
b) Total value of regulated contracts awarded within the report period	£480,103
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	12
i) how many of these unique suppliers are SMEs	10
ii) how many of these unique suppliers how many are Third sector bodies	0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	6
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	1

4. Community Benefit Requirements Summary

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	1

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 *(Each contracting authority sets its own priority groups)*	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
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.	2
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.	9,362
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	88%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	7
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:	£12,155
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	£12,155

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£10,560,095
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£9,331,060
c) Total procurement spend with Third sector bodies during the period covered by the report.	£35,127
d) Percentage of total procurement spend through collaborative contracts.	47%
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	£152,994
i) delivered cash savings for Cat A contracts	£22,989
ii) delivered cash savings for Cat B contracts	£92,299
iii) delivered cash savings for Cat C contracts	£37,706
g) Total non-cash savings value for the period covered by the annual procurement report	£64,624

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	21
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£4,480,360

Glossary of Terms

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

Category A	Collaborative Contracts available to all public bodies • Scottish Procurement
Category B	Collaborative Contracts available to public bodies within a specific sector • 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 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.

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.

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.

College Dashboard - is 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

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, £189,330, for Works Contracts £4,733,252. Public contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2022.

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

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.