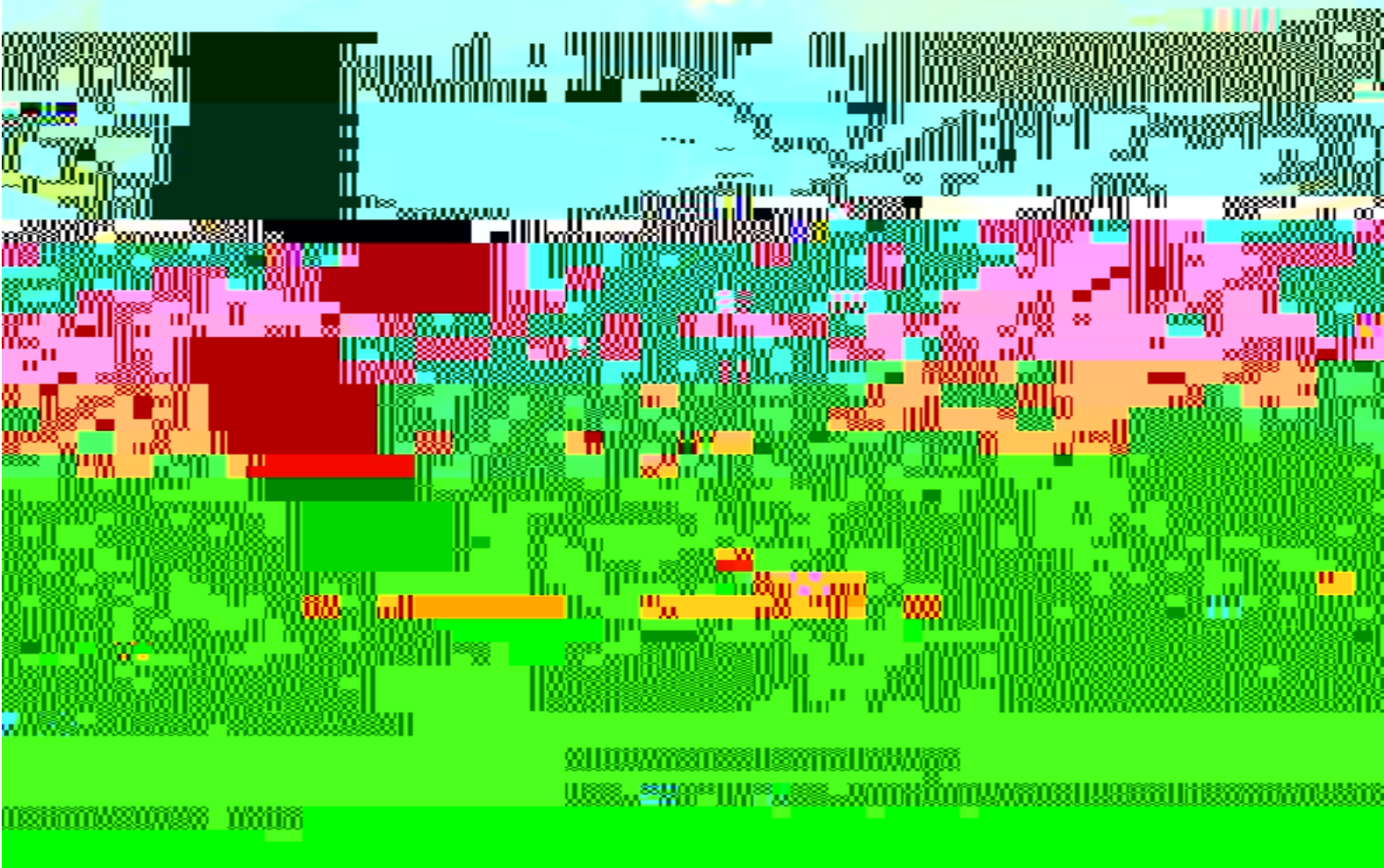




Annual Procurement Report 2019-20



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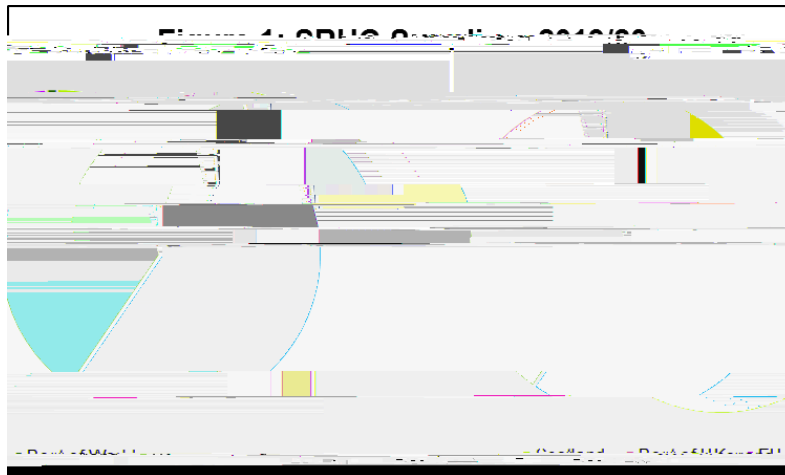
**Annex A: List of Regulated Procurements Completed in the
Reporting Period 1 April 2019 – 31 March 2020**

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Glossary of Terms

Executive Summary

on its Purchase Ledger and these range from sole traders through to established international organisations. During the reporting period the College did business with circa. 3,400 of those suppliers and while the geographic distribution of our suppliers remains consistent with previous years (see Figure 1), we have noted an increase of 2% in terms of those based in Scotland. This coupled with the increase in regulated contract awards to SMEs described in the report their associated communities.



Whenever possible SRUC, has sought to use national, sectoral, local or regional C1 collaborative contracts and frameworks. In addition to leveraging the value of aggregate spend to deliver savings, the burden of risk and contract and supplier management are centralised. In addition, the efficiency of this unified approach also reduces the number of resource-intensive tenders that need to be completed.

spend through collaborative agreements remained consistent with prior years at 39%, the total procurement influenced spend during 2019/20 rose from 70% to 73%. This increase can be attributed to consolidation of service contracts (e.g. cleaning services, general waste management) and use of competitive tendering for requirements that support strategic plan (e.g. degree awarding powers, audio-visual teaching equipment, building demolition / refurbishment).

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: 20 July 2020

By: Team

Signed:

Position: Professor Wayne Powell, Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

SRUC strongly believes in conducting all 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,

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). Primarily these contracts have been put in place for the benefit of the Scottish HE and FE sectors by [Advanced Procurement for Universities and Colleges](#) (APUC).

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 of its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

SRUC began paying the Living Wage as the minimum wage for employees from November 2014. Since then, all contracted suppliers have been encouraged to also pay the Living Wage to any of their staff working on SRUC contracts. In June 2019 we were pleased to announce that after a project led by the Head of Procurement, SRUC achieved full [Living Wage](#)

**Procurement
Strategy
Statement**

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.

Annual Report Commentary on strategy delivery/compliance

T embedded a methodology that sets aside time for procurement managers to liaise both formally and informally with internal and external stakeholders. This investment supports the development of open communication, improved understanding of needs and requirements which in turn strengthens the value of our procurement activities. During 2019/20, procurement hosted 40 formal meetings with current and/or potential suppliers (an increase of 30% over 2018/19). Such meetings are used not only as a tool to refine and promote the benefits of public procurement processes, provide an overview of tender documents (including the [ESPD](#)), explain how to submit a tender, and highlight [Supplier Journey](#).

Our approach has proved to be particularly important as part of early response to COVID-19 where direct engagement with key suppliers (in particular those providing PPE and livestock feed) has maintained the continuity of supply, provided reassurance that SRUC is open for business and will continue to support its suppliers.

Our procurement team continues to directly support APUC in the development and evaluation of its contracting plans. The Head of Procurement (HP) attends and contributes to APUC led Procurement Strategy Groups (PSG). Following the May 2019

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.

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.

Scottish Procurement Journey. This ensures that our approach is consistent, transparent and in line with Scottish Public Sector recognised best practice. In addition, Procurement proactively works to support [Strategic Plan](#). This includes:

- < promoting the procurement process as a business enabler, not only for SRUC but also for our supply chains;
- <

To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities. activities. We achieve this by critically assessing the balance between whole life cost, quality and sustainability before a procurement action is taken and subsequently over the life of a contract. We therefore consult

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.

Procurement at SRUC sits within the Finance Group and during the reporting period, was

<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 style="text-align: right;">mapped directly to</p> <p>internal governance procedures and with our adoption of paperless processing, a transparent and efficient means of managing regulated procurements. As a further layer of control, 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 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 appropriate OJEU. For those procurements below the regulatory thresholds, where appropriate, we use Quick Quotes. Our use of PCS and Quick Quotes expands the opportunity for SMEs to participate in tenders and during the reporting period 60% of regulated contracts were awarded to SMEs. This represents an increase of 5% over 2018/19. SRUC recognises the importance of SMEs within its supply chain and where suitable, opportunities will be broken down into manageable lots to further encourage SME participation.</p> <p>Expenditure segmentation analysis is carried out to inform future procurement activities and provide management information. Data for</p> <p style="text-align: right;">General Ledger data</p> <p>is analysed on a quarterly basis and our methodology allows analysis down to nominal code level which can be cross referenced to individual purchase transactions for each supplier. The availability of digital copies of all invoices provides a further dimension to understanding which in turn allows expenditure to be consolidated and real cost efficiencies generated.</p>
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To embed sound ethical, social and environmental policies within the

procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.

As a proud member of the [Athena Swan Charter](#), SRUC is committed to and strives for equality of opportunity for all its students and staff (existing and prospective), and recognises and celebrates the diversity of all stakeholders. In support of this commitment, during 2019 we included a question in tenders that required suppliers to explain

	<p>In line with the provisions of the Modern Slavery Act 2015 (the Act), SRUC has published its Modern Slavery Act Statement 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 are regularly updated to ensure, where relevant, consideration of and compliance with the Act is required for our main suppliers and their supply chain partners. Finally, to assist our staff and aid their understanding of the impact of Modern Slavery, during 2019 all staff were required to complete an e-learning module as part of their annual personal development plan. Going forward, this module will be subject to regular review and update, and staff will be required to refresh their understanding.</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.

-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 [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:

- < elimination of 2.52 tonnes (5.7

< sponsorship of a Student of the Year prize (including provision of a £300 voucher to supplier;

< HNC students studying at Elmwood Campus0008871 0 595.32 841.92 reW*nQq0.000008871 0 595.

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 the [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 £6.8k were placed with an Edinburgh and Lothian social enterprise in respect of laundry services. In addition, as part of the Peter Wilson Building Arcade refurbishment (see Section 6.2) pre-tender market analysis, meetings were held with two supported business furniture suppliers and one subsequently submitted a tender.

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, especially in light of the COVID-19 pandemic, 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

6.2 Case Study: Investing in the Student Experience

SRUC is currently delivering a comprehensive, bold and ambitious programme of transformational change. [_____](#) sets out our vision for a unique 21st Century

- < integration and encouragement of students and staff to visit and use the Arcade before, during and after periods of formal learning and working. A student and staff survey conducted in December 2019 recorded overall satisfaction with the project and 77% of respondents considered the space delivered all of their needs, and that they would use the Arcade and its facilities every week;
- < an increased sense of pride within our Edinburgh staff and students;
- < a fit for purpose environment from which to provide catering services.-4(af)8(f)-4()-101(survey)21()]

Annex A: List of Regulated Procurements Completed in the Reporting Period 1 April 2019 31 March 2020

Compliant

Please note that due to COVID-19 restrictions, some of the indicated contract end dates may be extended.

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
Website Redesign & Implementation (Ref. 13998)	Equator	08/04/2019	C	18/04/2019	07/04/2021	£186,000	Yes	No
WAN Services (Ref. 14133)	Daisy Communications Ltd	29/03/2019	B	01/04/2019	31/03/2022	£163,000	No	No
Clinical Waste (Ref. 14153)	Stericycle	26/04/2019	B	01/06/2019	31/05/2022	£44,000	No	No
Lead Project Manager for South & West Faculty (Ref. 14382)	Faithful & Gould	10/09/2019	B	10/09/2019	14/02/2020	£30,000	No	No
Allermuir Avian Innovation and Skills Centre FF&E (Ref. 14431)	Workspace (Scotland)	04/04/2019	C	05/04/2019	29/05/2019	£67,600	Yes	No
Supply and Installation of Audio-Visual Teaching Equipment (Ref 14930)	AVMI Scotland	22/05/2019	B	01/06/2019	19/12/2019	£41,000	Yes	No
Cleaning Services (Ref. 15090)	Pristine Clean Services Ltd	05/08/2019	C	12/08/2019	11/08/2020	£556,000	Yes	No
Supply of Electricity (Ref. 15108)	EDF Energy Ltd	01/04/2019	B	01/04/2019	31/03/2022	£1,936,000	No	No
Water & Waste Water (Ref. 15096)	Business-Stream	14/06/2019	B	01/04/2020	31/03/2023	£990,000	No	No
Purchase of specialised academic teaching and project supervision in Plantsmanship and Botanics (Ref. 15111)	The Royal Botanic Garden, Edinburgh	10/05/2019	C1	01/09/2019	31/08/2024	£775,000	No	No
PWB Arcade Furniture (Ref. 15230)	Azzuro Limited	09/08/2019	C	11/09/2019	10/11/2019	£43,000	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
General Waste Management (Ref. 9055)	Lot 1 - Biffa Waste Services Ltd; Lot 2 - CCL North Ltd; Lot 3 - Veolia ES (UK) Ltd	29/07/2019	B	02/09/2019	01/09/2022	£1,278,000	No	No
Animal Care Unit Refurbishment (Ref. 16451)	Interact Interiors Ltd	03/05/2019	C	20/05/2019	19/07/2019	£229,000	Yes	No
Stationery & Office Supplies (Ref. 16490)	Office Depot	31/01/2020	B	01/02/2020	31/07/2021	£120,000	No	No
Boardroom Refurbishment (Ref. 16699)	William Waugh & Sons (Builders) Ltd	24/01/2020	C	24/01/2020	30/04/2020	£62,300	Yes	No
Natural Gas (Ref. 17159)	Total Gas & Power	01/09/2019	B	01/04/2020	31/03/2022	£730,000	No	No
Amazon Business Account (Ref. 17519)	Amazon UK	09/03/2020	B	10/03/2020	09/03/2022	£100,000	No	No

Non-Compliant

The following contracts were awarded without competitive action:

Category Subject	Supplier name	Date of Award	Owner: Cat A/B/C or C1?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Skype for Business (Ref. 16495)	Gamma Communications plc	10/01/2020	C	17/03/2020	16/07/2021	£50,000	Gamma currently provides telephony connectivity. As a change of service provider requires preparatory work and all lines to be ported over to a new provider, it was determined that a 16 month contract award to Gamma would maintain continuity of telephone services while SRUC determines how these services will be provided in the future.	To ensure best value for money, future requirements for digital solutions will be subject to quotes being sought in line procurement policy. However, reference to and compatibility with existing equipment and software will be required to harmonise costs and benefits against the impact on business activities.
Business Case Preparation (Ref. 16980)	Johnston Houston	18/02/2020	C	28/02/2020	On completion of OBCs for North and Central Faculties, and the FBC for South & West Faculty	£70,700	Johnston Houston had previously supported the preparation of the Outline Business Case (OBC) for the OBCs and Full Business Case (FBC) are intrinsically linked, to ensure consistency in approach and output, it was determined that the best value and quickest outcome could be achieved by contracting Johnston Houston.	To ensure best value for money, future requirements for business case support will be subject to quotes being sought in line with policy.

Non-Compliant: COVID-19 Contract Extensions

Annex B: List of Regulated Procurements planned to commence in next two Financial Years, 2020/21 & 2021/22

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
Travel Management Services	B	Re-let	N/A framework mini-competition	01/12/2020	01/01/2021	31/12/2024	£600,000
Safety Work Wear and PPE	C	Re-Let	01/02/2021	01/05/2021	30/06/2021		

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
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
Biomass Fuel	C	Extension					

Annex C - Glossary of Terms

A, B, C and C1 Contracts

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

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

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 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

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.

W. J. Powell