Annual Procurement Report

1st January 2017- 31st July 2018

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Executive Summary

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

This APR covers the period of 1st January 2017 to 31st July 2018 and addresses performance and achievements in delivering Forth Valley College's procurement strategy 2016-2018.

The development of the procurement strategy was the outcome of consultation and discussion with internal and external stakeholders who have an interest in Forth Valley College's approach to procurement and its impact. Stakeholder engagement will also feature 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 delivery against the College's broader aims and objectives, in line with Scotland's National Outcomes. This process of review and reporting will inform any adjustments to the procurement strategy deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which the institution may need to adjust.

Forth Valley College has analysed 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 £181,302; works worth more than £4,551,413[2]) amounted to £19,732,802. There were 5 such procurements completed[3].
- Lower value regulated procurements (goods and services worth more than £50,000 and works worth more than £2 million) amounted to £1,285,876. There were 13 such procurements completed.

More detailed information on the regulated procurements is provided in Section 1, Section 2 and in Annex A of this report.

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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]. Public contracts (EU) thresholds are revised every 2 years – next revision due on 1st January 2020.

[3] Deemed completed when the award notice is published or where the procurement process otherwise comes to an end - covers contracts and framework agreements

Forth Valley College has 610 active suppliers with whom the College did business in the reporting period. At least 39 of these suppliers were from the Forth Valley region.

The total procurement expenditure was £25,033,970 - £21,018,678 of regulated expenditure, £2,097,941 of non-influenceable spend and £1,917,351 of non-regulated expenditure.

At least £1,725,820 were spent with SMEs during the reporting period who constitute 28.7% of the total of active suppliers. 6 SMEs featured in the award of regulated procurements.

Forth Valley College has been optimising use of national (A), sectoral (B), local (C) or regional (C1) collaborative contracts and frameworks. As well as bringing leverage based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly. 56.7% of the College spend went through collaborative agreements in 2016/17 (latest verified collaborative spend).

This report comprises of five sections that 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

Report Approved: 27th November 2018

By: Forth Valley College's Leadership Team

Report Approved: 4th December 2018

By: Forth Valley College's Finance Committee

Signed: Alison Stewart

Position: Vice Principal of Finance and Corporate Affairs

Section 1: Summary of Regulated Procurements Completed

Forth Valley College strongly believes in conducting its procurements in an open and inclusive manner with procurement objectives aligned to the College's Strategic Plan.

The detailed summary of regulated procurements completed during the period of this report is set out in Annex A. That information, coupled with the publication of our Contracts Register[4] 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 Annex A, information is set out to show lower value regulated procurements completed and EU regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from institutional ones. For each completed regulated procurement the information provided shows:

- the date of award
- the contract start date
- the category subject matter
- the name of the supplier
- estimated total value of the contract over 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.
- the SME and supported business status

[4] See our Contract Register on http://www.apuc-scot.ac.uk/#!/institution?inst=34

Section 2: Review of Regulated Procurement Compliance

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.

Successful delivery against our procurement strategic objectives is part of a customer valued, continual improvement process (CIP) that seeks incremental improvements to process and outcomes over time.

Our CIP is based on the Scottish Government Procurement & Commercial Improvement Programme (PCIP). The PCIP is a useful tool through which the College is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented.

The College's most recent assessment was conducted in December 2016 and the score fell into the silver band (lite assessment). The intention now is to improve upon this score in time for the next assessment due in 2019.

We also measure progress against our 5 procurement strategic objectives in our Procurement Action Plan (See Annex E).

Forth Valley College has procurement processes and sign off arrangements that are consistent with the guidelines set out in the Procurement Journey and that have met the objectives and obligations set out in our Procurement Strategy and the following general duties and specific measures of the Procurement Reform (Scotland) Act 2014.

Contributing to the Carrying out of our Function and the Achievement of our Purposes

Forth Valley College have carried out an analysis of the non-pay expenditure for the reporting period.

The Procurement team analyses non-pay expenditure on a quarterly basis to identify tender and efficiency opportunities and plan procurement activity.

Delivering Value for Money

We have consistently sought to apply the principle of value for money (best balance of cost, quality and sustainability) and we include whole-life costing in our regulated procurements.

Where appropriate, Forth Valley College has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management,

sustainable procurement outcomes and the best balance of cost, quality and sustainability.

Key contracts and suppliers are pro-actively managed to ensure contract deliverables and objectives are achieved.

It is estimated that during the reporting period, locally tendered savings were £1.9m at BT1 (generally versus previous price paid). Savings through framework agreements facilitated by the Procurement team were £361k at BT1 and £408k at BT2, pending of APUC verification of 2017/18 savings.

Treating Relevant Economic Operators Equally and without Discrimination

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

All regulated procurements are published on Public Contracts Scotland (PCS) and we have made use of separate lots, where appropriate.

In our tender documents, we have included straightforward output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.

Acting in a Transparent and Proportionate Manner

We ensure that procurement documentation is simplified wherever possible, using plain English and contain the appropriate number of evaluation criteria (questions) to reduce the resource impact on tenderers. The evaluation criteria and scoring methodology are clearly stated in our invitation to tender documents which we publish on Public Contracts Scotland.

We actively take steps to make our contracts accessible to smaller and local businesses through the use of Public Contracts Scotland Quick Quote, information contained on the Procurement page of the College website and attending supplier/buyer engagement events and meetings.

Sustainable Procurement Duty

We consistently give consideration to environmental, ethical, economic and social impacts as well as the promotion of positive impacts and innovation relating to all regulated procurements throughout the procurement journey.

We make use of available sustainability tools and systems including the Scottish Public Procurement Prioritisation Tool, the Sustainability Test, Life Cycle Impact Mapping, the Scottish Flexible Framework as well as APUC Supply Code of Conduct,

Sustain and Electronics Watch where relevant and proportionate to the scope of the procurement.

We take proportionate actions to involve SMEs, third sector bodies and supported businesses in our procurement activities where relevant.

Community Benefits

The College has considered for each of its procurements over £4m how it can improve the economic, social or environmental wellbeing of the Forth Valley region through the inclusion of community benefit requirements.

Further details of fulfilled community benefits are provided in Section 3 and Annex B.

Consulting and Engaging with those Affected by its Procurements

As part of the development of project strategies prior the publication of regulated procurement tenders, we carry out market research, consult and engage with both relevant internal and external stakeholders to ensure the procurement is aligned to the College's strategic aims and objectives, stakeholders' views are taken into account and they can contribute to the development of the project strategy.

We offer debriefs to all tenderers (successful and unsuccessful alike) with an aim to demonstrate transparency and ensure a full internal stakeholders and suppliers regarding our procurement activity.

Living Wage

As an organisation who is a Living Wage Accredited Employer, where relevant and proportionate, sustainability requirements including support for Fair Working Practices and the Living Wage have been considered for all regulated procurements.

The Living Wage was encouraged in the tender process of our Total Facilities Management Services contract and was achieved with the successful supplier for the cleaning staff as part of the contract.

Promoting Compliance with the Health and Safety at Work Act 1974

As an organisation that holds the Healthy Working Lives Gold award, Forth Valley College is committed to contracting only with suppliers that comply with Health and Safety legislation and we consider Health Safety at projects strategy stage.

Where appropriate, the College assesses the legislation applicable to a procurement and has taken steps to ensure bidders comply with such legislation. Where proportionate, the College also seeks to assess the compliance of subcontractors.

Procurement of Fairly and Ethically Traded Goods and Services

As an organisation which holds Fairtrade status, we actively support the sourcing of goods that are fairly and ethically traded.

We consider sustainability including fairly and ethically traded goods and services throughout the procurement journey in our regulated procurements from project strategy to contract and supplier management.

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 utilises APUC and TUCO framework agreements for the vast majority of our food and catering requirements, and the products and services under these agreements comply with all relevant legislation and standards.

Where relevant, the nutritional requirements of food and the welfare of animals are taken into account in our regulated procurements.

Payment terms

The College recognises the importance of paying suppliers promptly once a service has been delivered.

Our standard payment terms are within 30 days of the date of receipt of a valid invoice. On an exception basis, it is possible to reduce these standard payment terms if requested.

During the reporting period the average number of days between invoice date and payment was 28.

Section 3: Community Benefit Summary

For every procurement over £4m, Forth Valley College consider how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with achieving sustainability in contracts 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.

Forth Valley College's approach to identifying community benefit opportunities is carried out with stakeholder consultation and engagement on a case-by-case basis. 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.

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 are cited such as:

- providing 'upskilling' opportunities (e.g. Toolbox talks) with students and staff,
- offering advice and assistance on the best practice methodology,
- employment, student work experience and vocational training opportunities,
- apprenticeships,
- local subcontractor opportunities available to SMEs, 3rd sector and supported businesses,
- direct involvement in community based schemes or programmes,
- equality and diversity initiatives,
- supply-chain development activity,
- educational support initiatives,
- to minimise negative environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

Forth Valley College has awarded one regulated procurement contract over £4 million in value in the reporting period. This contract was awarded to Balfour Beatty for the construction of our New Falkirk Campus with works commencing in October 2017 and the following community benefits have been **fulfilled**:

- Number of Jobs Filled by Priority Groups: 10
    - 2 x Falkirk ETU unemployed under 21 year olds
    - 6 x local unemployed people given training and employed through Balfour Beatty's Catering unit

    - 2 x local unemployed people employed through site cleaning
- Number of Apprenticeships Filled by Priority Groups: 17
- Number of Work Placements for Priority Groups: 14
- Number of Qualifications Achieved Through Training by Priority Groups: 22
- Total Value of Works Sub-Contracted to SMEs: £2.85m
- Total Value of Works Sub-Contracted to Social Enterprises: £10k

See Annex B for a summary of Community Benefits fulfilled during the reporting period.

Section 4: Supported Business

Forth Valley College reviews each procurement to determine whether it could be fulfilled by a Supported Business, whilst remaining compliant with EU and Scottish Procurement Legislation and ensuring value for money for the College (using the Supported Business Register[5] currently available and published by Ready for Business).

During the reporting period there were no regulated procurements awarded to supported business.

We engaged a supported business during the market research of our PPE and work wear contract opportunity but the decision was made to not reserve the contract and it was published as an open procedure.

The Procurement team have promoted and will continue to promote supported business with internal stakeholders and we hope we hope to be in a position to award a contract to a supported business in the coming 2 years for signage or document management.

[5] See Ready for Business website: http://readyforbusiness.org/wp-content/uploads/2017/07/RfB-Supported-Business-Register-030317.pdf

Section 5: Future Regulated Procurements

Forth Valley 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 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 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 Annex C should be viewed with this caveat in mind.

The information provided in Annex C 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

Annex A: List of Regulated Procurements Completed in the Reporting Period 1 January 2017 – 31 July 2018

Compliant

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	Current End Date	End Date including Extensions	Value over contract period (GBP)	SME status	Supported Business
Provision of Engineering Construction Industry Training Board (ECITB) Training	Petrofac	18/01/2017	C	13/02/2017	12/02/2019	12/02/2021	58,440	No	No
Digital Marketing Services under SP Framework Agreement for the Provision of Marketing Services (Multi-Lot)	The Union Advertising Agency	25/01/2017	A	01/02/2017	31/07/2019	31/07/2020	112,000	Yes	No
Supply of Tablet Devices for Stirling Campus under SP National Framework for Tablet Client Devices	XMA	07/04/2017	A	07/04/2017	24/04/2017	24/04/2017	69,884	No	No
Supply of Electrical Sundries under APUC Framework Agreement	Rexel	25/04/2017	B	24/04/2017	23/04/2019	23/04/2021	154,961	No	No
Total Facilities Management Services	Servest	27/04/2017	C	01/07/2017	30/06/2020	30/06/2022	2,025,235	No	No
Post Tender Technical Services for New Falkirk Campus under SCAPE BECS Framework Agreement	Perfect Circle JV	01/06/2017	C	01/06/2017	30/11/2020	30/11/2020	262,749	No	No
Furniture for the Stirling Campus Flexible Working Pilot under APUC Furniture Framework Agreement	AFH Strategic Contracts	12/06/2017	B	20/06/2017	19/08/2017	19/08/2017	104,952	Yes	No

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	Current End Date	End Date including Extensions	Value over contract period (GBP)	SME status	Supported Business
Business Travel Services under SUPC Travel Framework Agreement	Key Travel	03/07/2017	B	03/07/2017	02/07/2020	02/07/2021	222,897	No	No
New Falkirk Campus - Main Design and Build Contractor	Balfour Beatty	11/10/2017	C	23/10/2017	22/09/2019	22/09/2019	53,724,446	No	No
Supply of PPE and Work Wear for Students	Gemini Supplies (Scotland)	18/10/2017	C	08/01/2018	07/01/2020	07/01/2022	117,418	Yes	No
Building Clerk of Works services for new Falkirk Campus project	Clerk Of Works Inspection Services	08/12/2017	C	20/11/2017	19/09/2020	19/09/2020	71,321	Yes	No
Catering Disposables under Scotland Excel Catering Disposables & Sundries Framework Agreement	Tri-Star Packaging	09/02/2018	B	09/02/2018	09/07/2020	09/07/2020	58,381	No	No
Fresh Fish & Seafood under APUC Framework Agreement	Campbell Prime Meat	27/04/2018	B	27/04/2018	13/04/2020	13/04/2022	51,000	Yes	No
Desktop Computers under HEPCW National Apple Equipment and Services Framework Agreement	Academia	25/05/2018	B	25/05/2018	26/06/2018	26/06/2018	74,740	No	No
Supply of Tablet Devices under SP National Framework for Tablet Client Devices	XMA	26/06/2018	A	26/06/2018	09/07/2018	09/07/2018	85,041	No	No

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	Current End Date	End Date including Extensions	Value over contract period (GBP)	SME status	Supported Business
Art Materials & Craft Materials	Abacus	27/07/2018	C1	01/08/2018	31/07/2020	31/07/2022	50,187	Yes	No

Non-Compliant

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	End Date	Value over contract period (GBP)	Compliance Issue	Proposed Solution
Support and Maintenance Services for the Student Management Information System	Capita Business Services	18/12/2017	C	01/08/2018	31/07/2023	228,275	Legacy IT contract that has been awarded without competition. Award approved by Scottish Funding Council	We will review our tendering position in 2021/2022
Insurance Services	Marsh	19/07/2018	B	01/08/2018	31/07/2019	84,824	Contract extended for a further 1 year Extension approved by Scottish Funding Council	This will be tendered in 2019 with contract start date in August 2019

Annex B: List of Regulated Procurements with Community Benefit Requirements Fulfilled

Category Subject	Supplier name	Start Date	End Date	Value over contract period (GBP)	Benefit Value	Benefit Type

New Falkirk Campus - Main Design and Build Contractor	Balfour Beatty	23/10/2017	22/09/2019	53,724,446	• Number of jobs filled by priority groups: 10
					  • 2 x Falkirk ETU unemployed under 21 year olds
					  • 6 x local unemployed people given training and employed through Balfour Beatty's Catering unit
					  • 2 x local unemployed people employed through site cleaning
					• Number of apprenticeships filled by priority groups: 17
					• 3,133 apprentice hours worked to date
					• Number of work placements for priority groups: 14
					• Number of qualifications achieved through training by priority groups: 22
					• Total value of works sub-contracted to SMEs: £2.85m
					• Total value of works sub-contracted to Social Enterprises: £10k
					• 111 hours spent in local schools
						BT14

Annex C: List of Regulated Procurements planned to commence in next two financial years 2018/19 and 2019/20

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 (including extensions)	Estimated Value over contract period (GBP)
Laundry services	C	New	November 2018	January 2019	January 2019	January 2023	65,000
Taxi services	C	New	December 2018	January 2019	January 2019	January 2023	80,000
Mobile phone services	A	New	December 2018	January 2019	April 2019	April 2023	57,000
SIP trunk services	B	New	December 2018	January 2019	February 2019	February 2023	72,000
Furniture for New Falkirk Campus	B	New	March 2019	July 2019	September 2019	November 2017	1,200,000

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 (including extensions)	Estimated Value over contract period (GBP)
Equipment for mechanical maintenance and fitting workshop for New Falkirk Campus	C	New	March 2019	August 2019	September 2019	November 2019	300,000
Fitness equipment for New Falkirk Campus	B	New	April 2019	August 2019	September 2019	November 2019	200,000
Insurance services	B	Re-tender	April 2019	July 2019	August 2019	July 2023	350,000
Internal audit services	B	Re-tender	April 2019	July 2019	August 2019	July 2023	67,000
Equipment for welding and fabrication workshop for New Falkirk Campus	C	New	April 2019	August 2019	September 2019	November 2019	100,000
Equipment for CompEx workshop in New Falkirk Campus	C	New	April 2019	August 2019	September 2019	November 2019	150,000

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 (including extensions)	Estimated Value over contract period (GBP)
Audio visual equipment for New Falkirk Campus	B	New	April 2019	August 2019	September 2019	November 2019	220,000
Firewall hardware and software support and licence	C	New	July 2019	September 2019	October 2019	October 2023	55,000
Graphic design services	C	Re-tender	February 2020	April 2020	May 2020	May 2024	70,000
Occupational health and health surveillance services	C	Re-Tender	March 2020	May 2020	June 2020	June 2024	70,000
Digital Marketing Service	A	Re-Tender	May 2020	July 2020	August 2020	August 2024	65,000

Annex D: 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 • Scottish Procurement • APUC and other UK FHE Consortia • 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'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.

BT1 - **Direct Price Based Savings -** for new contracts that replace pre-existing supply agreements, these savings are calculated versus previous price paid at the end of the previous contract(s) period. For contracts that are for something that has not been bought before / an ad hoc requirement – the benchmark is the average price of the top 5 acceptable compliant (or all the bidders if there are less than 5) highest ranked bids.

BT2 - Price Versus Market Savings – these savings are reported against market pricing instead of, or in addition to, the savings achieved against previous baseline prices (i.e. the savings described at BT1 above). The purpose of BT2 savings is to identify the savings that would be lost if the procurement had not been conducted by the organisation.

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

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

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

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

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

EU regulated procurements - 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) that 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[6] page.

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

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

OJEU thresholds - OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week - these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive (2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The thresholds (net of VAT) were, for Supply, Services and Design Contracts, £164,176, for Works Contracts £4,104,394 until 31st December 2017. Public contracts (EU) thresholds are revised

[6]See website: http://www.gov.scot/Topics/Government/Procurement/eCommerce/ScottishProcurementInformationHub

every 2 years and the present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £181,302, for Works Contracts £4,551,413. These thresholds will be revised on 1st January 2020.

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

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

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

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

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

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

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

Small and Medium Sized Enterprises (SMEs) encompass –

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

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

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

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

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

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

Sustainable Procurement - a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

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

Annex E: Procurement Action Plan

SFC Priority Outcome	• **Efficient and Sustainable**
FVC Strategic Plan Value Statement	• **Leading as a business that is champion for governance, financial control and balanced risk taking** • **Delivering a whole system approach. Simply effective, efficient and consistent**
Scottish Model of Procurement Objective	• **Maximising efficiency and collaboration** • **Delivering Savings and Benefits**

Procurement Objective 1	Target/Outcome	Main Actions	Benchmark Data/Sources	KPI/Measure	Target Date for Review	PCIP Ref	RAG
To maximise collaborative procurement opportunities in the delivery of value for money and efficiency	To maximise the use of collaborative Framework Agreements and Contracts (CAT A, B and C1)	• Review expenditure analysis on an annual basis to identify non-pay expenditure not covered by regulated contract	• Scottish Procurement Information Hub/FVC expenditure analysis • APUC Annual Benefits Statement	Increase uptake of available Collaborative Framework Agreements and Contracts annually (% of collaborative contracts used)	July 2017 then annually thereafter	• Dashboard • Assessment Q2.1 • Assessment Q3.3	
		• Develop forward contracting plan and identify opportunities to utilise collaborative opportunities • Identify any sectoral or regional opportunities to collaborate	• CoEs and other Publicly funded Bodies Contracts Registers				
		• Further embed collaborative procurement into policies and procedures (aligned to Procurement Journey) • Work with relevant College staff to maximise use of Framework Agreements where possible	• FVC procurement policy and procedures • Framework Agreement information on FVC SharePoint site • Periodic departmental review meetings				

SFC Priority Outcome	• **Efficient and Sustainable** • **High Quality Learning** • **Right Learning in the right place**
FVC Strategic Plan Value Statement	• **Leading as a business that is champion for governance, financial control and balanced risk taking** • **Delivering a whole system approach. Simply effective, efficient and consistent**
Scottish Model of Procurement Objective	• **Maximising efficiency and collaboration** • **Delivering Savings and Benefits**

Procurement Objective 2	Target/Outcome	Main Actions	Benchmark Data/Sources	KPI/Measure	Target Date for Review	PCIP Ref	RAG
To further develop a College wide approach to procurement which is co-ordinated, efficient and effective in the achievement of value for money, and which supports the delivery of high quality learning	To increase the number of regulated contracts for College wide use for commonly purchased goods, services and works	• Review expenditure analysis to identify categories of goods, services and works which are not currently covered by a College wide contract • Engage with relevant departments/staff to understand common requirements and develop appropriate procurement strategy (including route to market) • Implement College wide contracts, including appropriate contract management approach	• Scottish Procurement Information Hub/FVC expenditure analysis • Stakeholder Focus Groups/Surveys • CoEs and other Publicly funded Bodies Contracts Registers • FVC Contracts Register (website) • FVC SharePoint page (intranet)	Increase the proportion of annual non-pay expenditure covered by a regulated contract (CAT A, B, C or C1) Increase the number of regulated contracts in FVC Contracts Register	Annual Annual	• Dashboard • Assessment Q3.3	
	To maximise efficiency of processes relating to the requisition and invoicing of goods, services and works	• Ensure procurement policy and procedures maximise efficiency relevant to value/risk of purchase • Maximise use of available electronic processes and tools • Reduce the cost of processing orders and invoices throughout the purchasing cycle	• Relevant staff/stakeholder survey/feedback • FVC procurement policy and procedures • P2P purchasing system • Procurement Cards • PCS/PCS-T • P2P purchasing system/Finance system • Finance Reports	Reduce total number of Purchase Orders and Invoices processed per annum	Quarter 1 2017 then annually thereafter	• Dashboard • Assessment Q2.3 • Assessment Q4.1	

	To improve the awareness of procurement policies and procedures amongst relevant College staff and suppliers through various sources of information	• Introduce a short Procurement induction course on Moodle for relevant new staff	• HR induction plan • Moodle Report	Total number of FVC staff to complete Moodle course	Quarter 1 2017 then Ongoing	• Assessment Q1.4 • Assessment Q1.5	
		• Introduce periodical review meetings/training opportunities with departments to provide relevant updates	• Records of meetings/training sessions held and relevant information discussed.	Number of training sessions delivered to FVC staff on Procurement topics	Ongoing		
		• Improve the awareness of procurement information available for College staff	• Periodical department meetings • Procurement SharePoint page • Relevant staff/stakeholder survey/feedback • E-Focus bulletins	Outputs of staff and supplier surveys/feedback	Periodic	• Assessment Q1.5 • Assessment Q1.6 • Assessment Q2.3 • Assessment Q3.1 • Assessment Q3.2	
		• Improve the awareness of procurement information available for suppliers	• FVC website • Supplier survey/feedback as appropriate • Supplier engagement events				
	To ensure that our procurement policies and procedures continue to deliver the requirements of the College in an efficient and effective manner	• Introduce new approaches to gathering feedback from College staff about the service provided by Procurement and suggestions for improvement • Continue to review and improve our policies and procedures based on feedback received	• Stakeholder Focus Groups/Surveys • Procurement SharePoint Page				

SFC Priority Outcome	• **Efficient and Sustainable**
FVC Strategic Plan Value Statement	• **Leading as a business that is champion for governance, financial control and balanced risk taking** • **Delivering a whole system approach. Simply effective, efficient and consistent**
Scottish Model of Procurement Objective	• **Maximising efficiency and collaboration** • **Delivering Savings and Benefits**

Procurement Objective 3	Target/Outcome	Main Actions	Benchmark Data/Sources	KPI/Measure	Target Date for Review	PCIP Ref	RAG
To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of College Strategic Priorities and Objectives	To continue to record savings and efficiencies achieved through procurement activity	• Record local savings and efficiencies using agreed sector methodology • Review APUC Annual Benefits Statement for savings and efficiencies achieved through Frameworks	• FVC procurement savings report/Hunter database • APUC Annual Benefits Statement	Annual Report to Senior Management Team showing overall totals of: • Cash Savings • Non-Cash Savings • Added Value	Quarter 1 2017	Dashboard Assessment Q2.3 Assessment Q2.4	
	To report the benefits delivered by the Procurement function in support of College objectives	• Preparation of periodic reports that address the aims and objectives of the College, and the requirements of Procurement Reform (Scotland) Act 2014 • Prepare Annual Report on performance against Procurement Strategy	• FVC procurement savings report/Hunter database • FVC Contracts Register • Stakeholder Focus Groups/Surveys • PCIP report • Forward Contracting Plan	Annual Report showing the achievement of strategic objectives in line with the requirements of the Procurement Reform (Scotland) Act	Annual – as soon as possible after FY end	Assessment Q1.2 Assessment Q2.4	
	To seek to continually improve supplier performance through the management of performance on contracts	• Seek feedback from College staff/departments on key suppliers/contracts • Hold periodic supplier reviews with key suppliers and discuss feedback and/or provide feedback to relevant CoEs for Framework Agreements • Seek supplier feedback on performance and opportunities to deliver further improvements	• Stakeholder Focus Groups/Surveys • Contract KPI's/SLA's • Supplier feedback/performance improvement reports	Level of staff satisfaction/positive feedback on supplier performance from Focus Groups and Surveys	Periodic	Assessment Q3.1 Assessment Q3.2 Assessment Q3.3	

SFC Priority Outcome	• **Efficient and Sustainable**
FVC Strategic Plan Value Statement	• **Leading as a business that is champion for governance, financial control and balanced risk taking**
Scottish Model of Procurement Objective	• **Delivering Savings and Benefits** • **Maximising efficiency and collaboration** • **Embedding Sustainability in all we do**

Procurement Objective 4	Target/Outcome	Main Actions	Benchmark Data/Sources	KPI/Measure	Target Date for Review	PCIP Ref	RAG
To embed relevant and appropriate procurement strategies to manage or reduce risk to the College.	To understand risks relating to key suppliers/contracts and implement relevant management approach	• Embed risk as a key consideration when developing contract/commodity strategy • Through detailed spend analysis, identify supplier/contract risk levels and determine appropriate tactical and strategic approaches to supply markets and contract management • Establish a procurement risk register to collate and manage all identified procurement risks • Communicate appropriate risks to Senior Management Team for inclusion in College Risk Register	• FVC Commodity Procurement Strategy in conjunction with relevant FVC staff • FVC Expenditure Analysis	Implement procurement risk register and identify key procurement risks	Quarter 1 2017 then ongoing	Dashboard Assessment Q1.5 Assessment Q1.6 Assessment Q3.1	
	To reduce the College's exposure to any forms of risk relating to procurement activity	• Embed risk management processes into Policy and Procedures, including: - Schemes of Delegation - Conflict of Interest - Gifts and Hospitality - Counter Fraud	• FVC procurement policy and procedures • Procurement SharePoint page (intranet) • Periodical departmental meetings	Total number of FVC staff to complete Moodle course	Ongoing		

		• Communicate Policy and Procedures to all FVC staff involved in procurement activity	• Moodle induction	Number of training sessions delivered to FVC staff on Procurement topics	Ongoing		

SFC Priority Outcome	• **Efficient and Sustainable** • **High Quality Learning** • **A developed workforce** • **Equalities**						
FVC Strategic Plan Value Statement	• **Cultivating a vibrant learning organisation where learners develop skills, achieve qualifications valued by industry and progress seamlessly** • **Instilling an energy and passion for our people, celebrating success and innovation** • **Enhancing our position as the business and community partner of choice**						
Scottish Model of Procurement Objective	• **Embedding Sustainability in all we do** • **Improving supplier access to public contracts**						
Procurement Objective 5	**Target/Outcome**	**Main Actions**	**Benchmark Data/ Sources**	**KPI/Measure**	**Target Date for Review**	**PCIP Ref**	**RAG**
To embed sound economic, social and environmental procurement policies and to comply with relevant Scottish, UK and EU legislation in performance of the Sustainable Procurement Duty.	To maximise the economic, social and environmental outcomes from our procurement activity	• Embed sustainability considerations into relevant commodity procurement strategies through the use of the Sustainability Test (including Sustainable Procurement Duty considerations) • Identify and maximise Community Benefit opportunities from contracts where appropriate • Place at least one contract with a Supported Business • Seek to maximise opportunities for SMEs and local businesses, particularly for below regulated procurement opportunities	• Scottish Government Public Procurement Prioritisation Tool • FVC Commodity Procurement Strategy in conjunction with relevant FVC staff • FVC Contracts Register (website) • FVC procurement policy and procedures • PCS/PCS-T	• Measure of sustainability outcomes secured in contracts awarded, including Sustainable Procurement Duty considerations	Annual – as soon after FY end as possible	Dashboard Assessment Q1.2 Assessment Q2.2 Assessment Q2.4	
				• Award a contract to a Supported Business	Annually	Dashboard Assessment Q2.4	
	To support the achievement of the College's overall Sustainability targets and objectives	• Actively participate in the College Sustainability Committee • Report on economic, social and environmental	• Sustainability Committee actions/Sustainable Procurement KPI's • Summary of outcomes contained in Award Recommendation Report	• Annual Report showing the achievement of strategic objectives in line with the requirements of the Procurement Reform (Scotland) Act	Annual – as soon as possible after FY end	Assessment Q1.2	

		outcomes from our procurement activity • Maintain Level 2 of Flexible Framework as a minimum • Communicate Sustainable Procurement objectives to College stakeholders	• Annual Report • Flexible Framework Assessment/Action Plan • Procurement SharePoint page	• Maintain Level 2 of Flexible Framework	Ongoing		
	Increase supplier engagement in relation to FVC's sustainable procurement objectives	• Improve information available to suppliers on how to do business with the College, and sustainability objectives • Attend supplier engagement events in the Forth Valley area, such as Meet the Buyer	• FVC website • Supplier survey/feedback as appropriate • APUC Sustain tool • Supplier engagement events	• Outputs of supplier surveys	Periodic	Assessment Q2.4	