



Scottish Funding Council

Promoting further and higher education

ACC/19/35
Agenda item
3 September 2019

Annual Procurement Report 2018-19

- This paper provides information on the procurement spend for the Scottish Funding Council for the Financial Year (FY) 2018-19.

Recommendations

- Note the contents of the report.

Financial implications

- There are no running cost implications arising from this paper that are not already allowed for within the Council's running cost budgets.

Annual Procurement Report 2018-19

Purpose

1. To provide details on the procurement spend for the SFC during the Financial Year (FY) 2018-19.

Report

2. This Procurement Report (attached to this paper) is provided as best practice. SFC is not required to publish a procurement report as procurement spend is below the regulated procurement spend reporting limit of £5 million or more (excluding VAT) in any financial year.
3. The report provides information on procurement within the period.

Next steps

4. SFC to action anything identified in the report not in line with our strategy.

Risk assessment

5. There is a risk of reputational damage to the SFC from failures in following procurement practices in the Procurement Reform (Scotland) Act 2014. SFC's procurement policies and procedures (including production of this annual report) mitigate that risk.

Equality and diversity assessment

6. There are no equality and diversity issues associated with this paper.

Publication

7. This paper will be published on the Council's website following the Committee's meeting.

Recommendation

8. The Committee is invited to note the contents of the report.

Financial implications

9. There are no running cost implications arising from this paper that are not already allowed for within the Council's running cost budgets.

Further information

10. Contact Martin Fairbairn, Chief Operating Officer (direct line: 0131 313 6524, email: mfairbairn@sfc.ac.uk) or Jude Thomson, Payment & Procurement Officer, Finance (direct line: 0131 313 6550, email: jthomson@sfc.ac.uk).

Scottish Funding Council Annual Procurement Report – FY 2018-19

Introduction

1. The Scottish Further and Higher Education Funding Council is the national body responsible for allocating public funds for learning and teaching, skills development, research, innovation and other costs such as staff, buildings and equipment in Scotland's 19 universities and 26 colleges. We invest our funding, around £1.8 billion each year, in ways that support the Scottish Government's national priorities. We are more commonly known as the Scottish Funding Council or SFC.
2. SFC has a low level of procurement spend and does not need to publish a Procurement Strategy or Annual Procurement Spend Report because it is below the Procurement Reform (Scotland) Act 2014 de minimus level. However, we prepare both as a matter of good practice. The SFC Procurement Strategy covers the years 2018-21. The purpose of this report is to describe SFC's performance in achieving value for money during the Financial Year (FY) 1 April 2018 to 31 March 2019.

Achieving Value for Money

3. Procurement spend subject to procurement legislation and procedures excludes the following:
 - Payroll expenditure
 - Direct payments to Her Majesty's Revenue and Customs
 - Rent
 - Rates

Table 1 shows the value and volume of procurement activity for FY 2018-19.

Table 1: Value and Volume Summary	2018-19
Total Spend (Total running cost expenditure)	£7,594,211
Total Invoice Value (Total value of invoices less excluded values)	£1,453,691
Total Procurement Spend (Total procured invoices)	£818,456
Number of invoices	801
Number of Suppliers Paid	154
Average Invoice Value	£1,814

4. SFC procurement policies guide staff to make use of existing government framework agreements and contracts where possible. In the absence of a framework agreement or contract, staff are asked to advertise contract

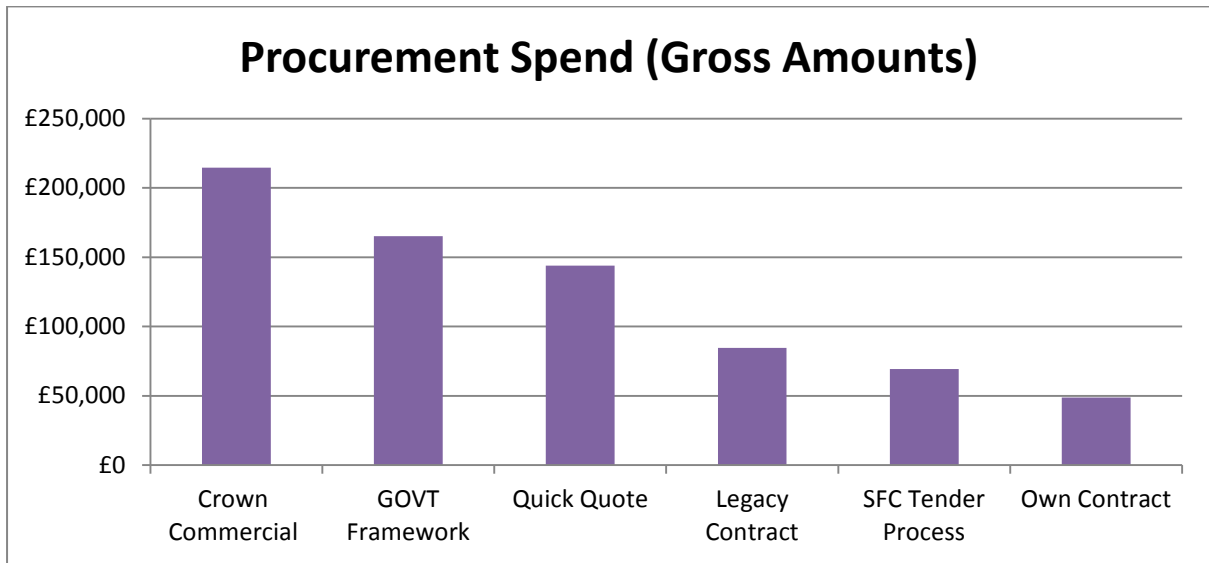
opportunities on the Public Contracts Scotland (PCS) advertising portal. A full breakdown of the procured spend is found in the Annex.

Non contracted spend

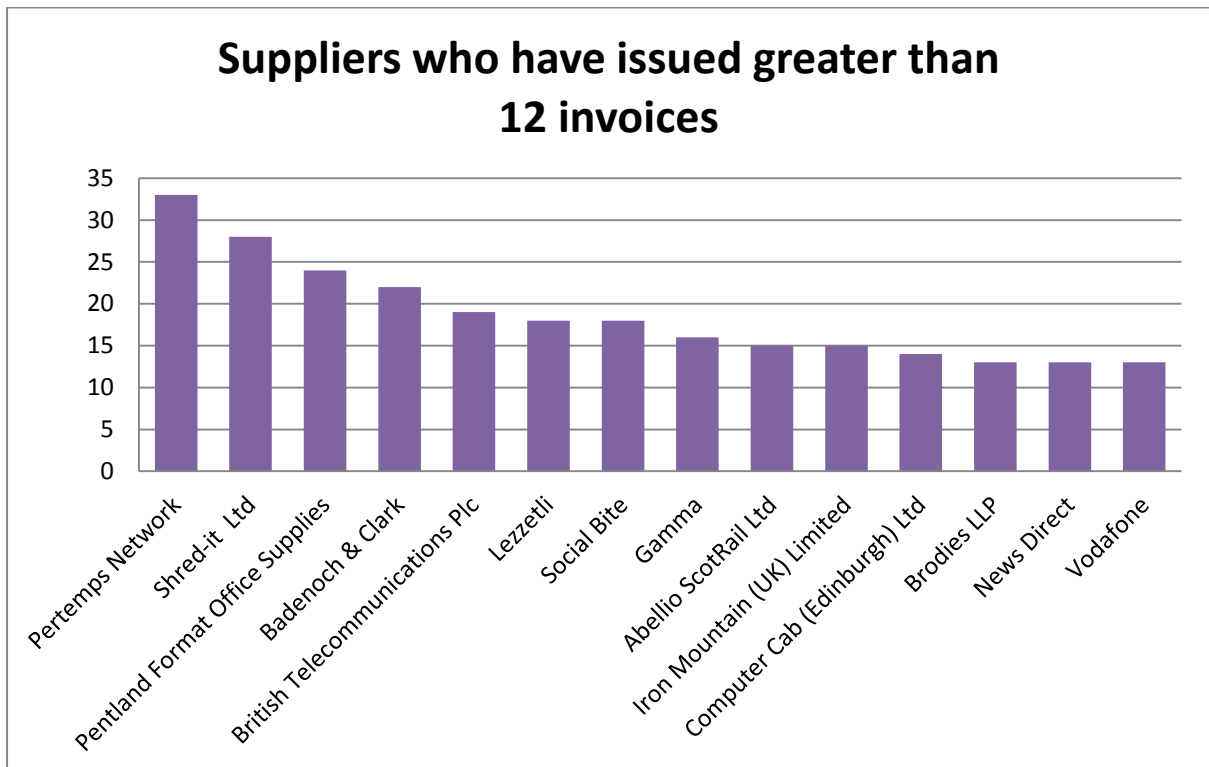
5. Non contracted spend comprises expenditure with suppliers who are not on our contracts register. An analysis is given below:

SUPPLIER NAME	GROSS VALUE PER ANNUM £'000	REASON FOR SUPPLIER	ACTION FOR 2019-20
Abellio ScotRail Ltd	49	Train tickets at lowest cost compared to if bought through an agent. .	Investigate whether current Government Framework represents better value.
Newsquest (Herald & Times) Ltd	10	Recruitment Adverts	HR to review other possible advertising options
BME Solutions Limited	20	ICT - Qlikview annual maintenance and upgrades	Investigate if this can be moved to the Government framework
Pressdata	12	Scottish Media Monitoring	Provides the most comprehensive Scottish cover. Update to a current contract in 2019-20.
NLA Media Access	11	NLA Media License – only supplier	Media License is required for copyright control and this is the only supplier, update to single supplier
Cascade Human Resources Ltd	9	Human Resources system ongoing licence	There are no plans to change the HR system.
Pentland Format Office Supplies	7	Office supplies	Move onto the Government Framework
Sanas Ancient Wisdom	6	Staff Welfare (acupressure)	Review and tender
Power Control Ltd	6	Utilities - Uninterruptible Power Source (UPS) Maintenance/replacement	Investigate if this can be moved to the Government framework

6. To reduce the non-contracted spend to a minimum the above actions will be followed.
7. The Total Procurement spend has been reviewed for spend above £5k and the chart below shows the route used for the £728k procurement spend in this period with £380k (52%) using the Government Procurement Frameworks and a further £213k (29%) was advertised on the Public Contracts Scotland website (all values are VAT inclusive). A full breakdown of this procurement is provided in the Annex.



8. Out of the suppliers used in the period, who have sent more than 12 invoices, it is evident that there are a few where invoice process could potentially be improved to condensed invoices. The top four of these who have all issued greater than 20 invoices will be contacted in relation to moving to a monthly consolidated invoice.



Contracts awarded during FY 2018-19

9. During FY 2018/19 we have awarded four procurement contracts.

10. These are all publically awarded on the Public Contracts Scotland website and the contract register is detailed below:

TITLE	TYPE	START DATE	END DATE	FRAMEWORK	SUPPLIER NAME
Support Unit for SFC Financial Transactions Programme	Services	27/08/2018	27/08/2021	No	QMPF LLP
Award of Provision of parliamentary monitoring service	Services	01/05/2018	30/04/2021	No	Newsdirect
Scottish Toolkit for Fair Access	Services	03/04/2018	03/09/2020	No	CFE Research
Office Cleaning	Services	01/05/2018	30/04/2021	No	Churchill Contract Services Group Holdings Ltd

11. Procurement during the period using Government Frameworks and Quick Quotes is detailed in the Annex.

Small and Medium Enterprises (SMEs)

12. Out of the 154 suppliers paid in the period 69 (45%) were SME business. From the contracted procurement the number of SMEs is 20 suppliers (57%) (SME verification can be found at: Suite.endole.co.uk/insight).

Fair Work and the real Living Wage

13. SFC encourages all suppliers to pay the Living Wage but this cannot be mandated. The tender evaluation process favours those companies who pay the Living Wage. Out of the 154 suppliers paid in the period, 17 (11%) are either accredited or committed to pay the Living Wage (per the Living Wage Foundation website).
14. Out of the 154 suppliers paid in the period 9 (6%) have signed up for the Scottish Business Pledge. (Scottishbusinesspledge.scot)

Supported Businesses

15. We always consider Supported Businesses to contract with us but there are a limited number of opportunities to do. We did not use a Supported Business in FY 2018-19.

Future procurements

16. Within the next financial year there are currently four upcoming procurement projects. These include the tender process to produce a publication highlighting key aspects of Scottish research, our Legal Contract (which may fall within a Government framework), renewal of the Government Travel Framework and the upgrading of our Accounting System.

Conclusion

17. SFC has a relatively low value of procurement spend. We continue to achieve Value for Money when buying goods and services through taking advantage of the nationally negotiated government contracts. We use the Public Contracts Scotland website to advertise purchasing opportunities to help SME's compete for business. Non-contract spend is kept to a minimum and must be authorised by the Chief Executive.
18. We encourage our suppliers to adhere to the Fair Work Convention and realise community benefits. We always consider Supported Businesses to contract with us, but are aware that the number of opportunities to do so is limited.

Further information

19. Please contact Jude Thomson, Payment & Procurement Officer, for further information, tel: 0131 313 6550, email: jthomson@sfc.ac.uk

SFC Procurement Financial Year 2018-19

SUPPLIER NAME	TYPE	START DATE	END DATE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
Maindec	ICT	2015	2017	GOVT framework	85	YES
Castle Computer Services Ltd	ICT	02/07/2018	01/07/2019	Crown Commercial	51	YES
Abellio ScotRail Ltd	Travel			SFC Contract	49	NO
Aspen People Ltd	Recruitment	23/04/2018	10/08/2018	Quick Quote	40	YES
SAS Software Ltd	ICT	02/07/2018	01/07/2019	Crown Commercial	38	NO
Edenred	Childcare Vouchers	12/11/2015	11/11/2019	Crown Commercial	38	NO
QMPF LLP	Services	27/08/2018	27/08/2021	SFC Tender Process	37	YES
Pertemps Network	Recruitment	13/04/2015	12/04/2019	GOVT framework	37	YES
CFE Research	Services	03/04/2018	03/09/2020	SFC Tender Process	32	YES
Churchill Contract Services Group Holdings Ltd	Services	01/05/2018	30/04/2021	Quick Quote	31	NO
Scott-Moncrieff	Professional Services	01/04/2016	01/04/2019	Quick Quote	24	NO
Brodies LLP	Professional Services	01/06/2016	31/03/2019	Quick Quote	24	NO
Civica UK Ltd	ICT	02/07/2018	01/07/2019	Crown Commercial	23	NO
Redfern Travel Ltd	Travel	01/09/2015	01/09/2018	GOVT framework	21	NO
BME Solutions Limited	ICT			Lowest Quote	20	YES
C2 Software Limited	ICT	02/07/2018	01/07/2019	Crown Commercial	17	YES
Pressdata	Media Monitoring			Legacy Contract	12	YES

SUPPLIER NAME	TYPE	START DATE	END DATE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
Virgin Media Business	ICT	02/07/2018	01/07/2019	Crown Commercial	12	NO
Konica Minolta Business Solutions	Print/ Stationery	03/06/2017	02/06/2019	GOVT framework	12	NO
NLA Media Access	License			Single Supplier	11	NO
Exec Space	Travel	01/09/2015	01/09/2018	GOVT framework	11	YES
Azzurro Limited	Office Equipment	03/07/2017	29/09/2017	Quick Quote	11	YES
Newsquest (Herald & Times) Ltd	Recruitment			Advertising	10	NO
Cascade Human Resources Limited	ICT			Legacy Contract	9	YES
Exactive	ICT	02/07/2018	01/07/2019	Crown Commercial	9	YES
Institute of Directors Scotland	Recruitment	15/01/2018	15/04/2018	Quick Quote	9	unknown
Business Stream	Utilities	20/06/2016	15/03/2021	Crown Commercial	8	NO
IP Integration Limited	ICT	02/07/2018	01/07/2019	Crown Commercial	7	YES
Pentland Format Office Supplies	Office Supplies			Legacy Contract	7	unknown
Sanas Ancient Wisdom	Staff Welfare			Legacy Contract	6	YES
Power Control Ltd	ICT			Legacy Contract	6	YES
Nnewsdirect	Services	01/05/2018	30/04/2021	Quick Quote	6	YES

SUPPLIER NAME	TYPE	START DATE	END DATE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
NCC Group	ICT	02/07/2018	01/07/2019	Crown Commercial	5	YES
Cintra HR & Payroll Services Ltd	ICT	02/07/2018	01/07/2019	Crown Commercial	5	YES
A & K Maintenance	Office Maintenance	01/02/19	30/04/19	Yearly contract in place. M&E and ad-hoc	5	YES
Total					744	