

Annual Procurement Report 2019-20

- This paper provides information on the procurement spend for the Scottish Funding Council for the Financial Year (FY) 2019-20.

Recommendations

- Consider 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 2019-20

Purpose

1. To provide details on the procurement spend for the SFC during the Financial Year (FY) 2019-20

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 consider 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 2019-20

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 £1.9 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 2019 to 31 March 2020.

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 2019-20.

Table 1: Value and Volume Summary	2019-20
Total Spend (Total running cost expenditure)	£8,199,473
Total Invoice Value (Total value of invoices less excluded values)	£935,335
Total Procurement Spend (Total procured invoices)	£802,154
Number of invoices	770
Number of Suppliers Paid	173
Average Invoice Value	£1,364

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) portal. A full breakdown of the procured spend is found in the Annex A.

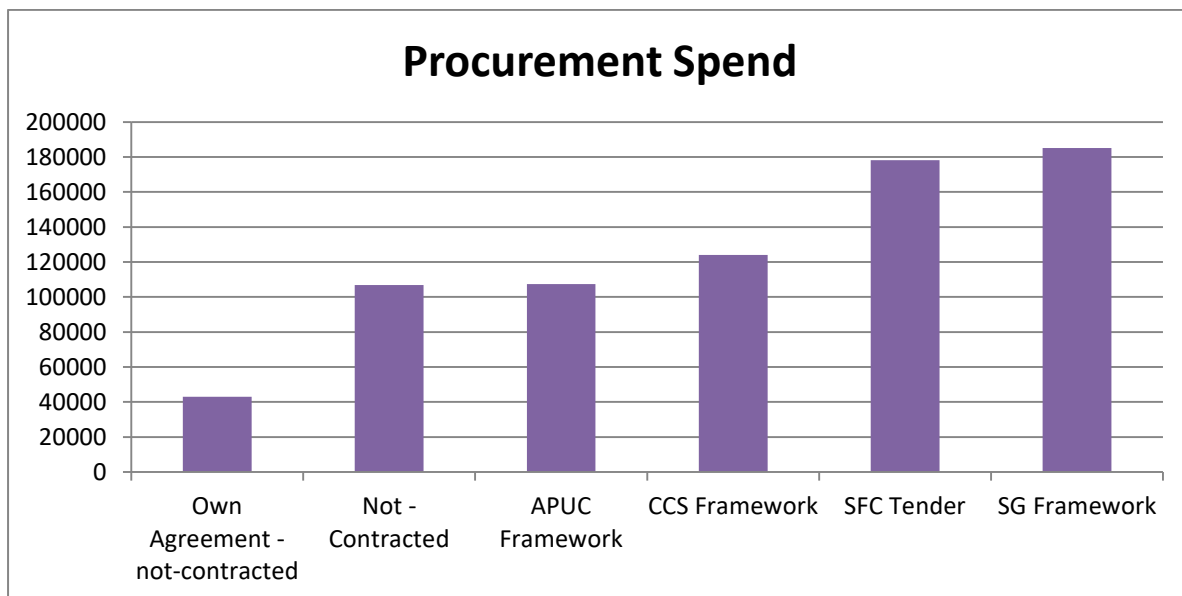
Non contracted spend

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

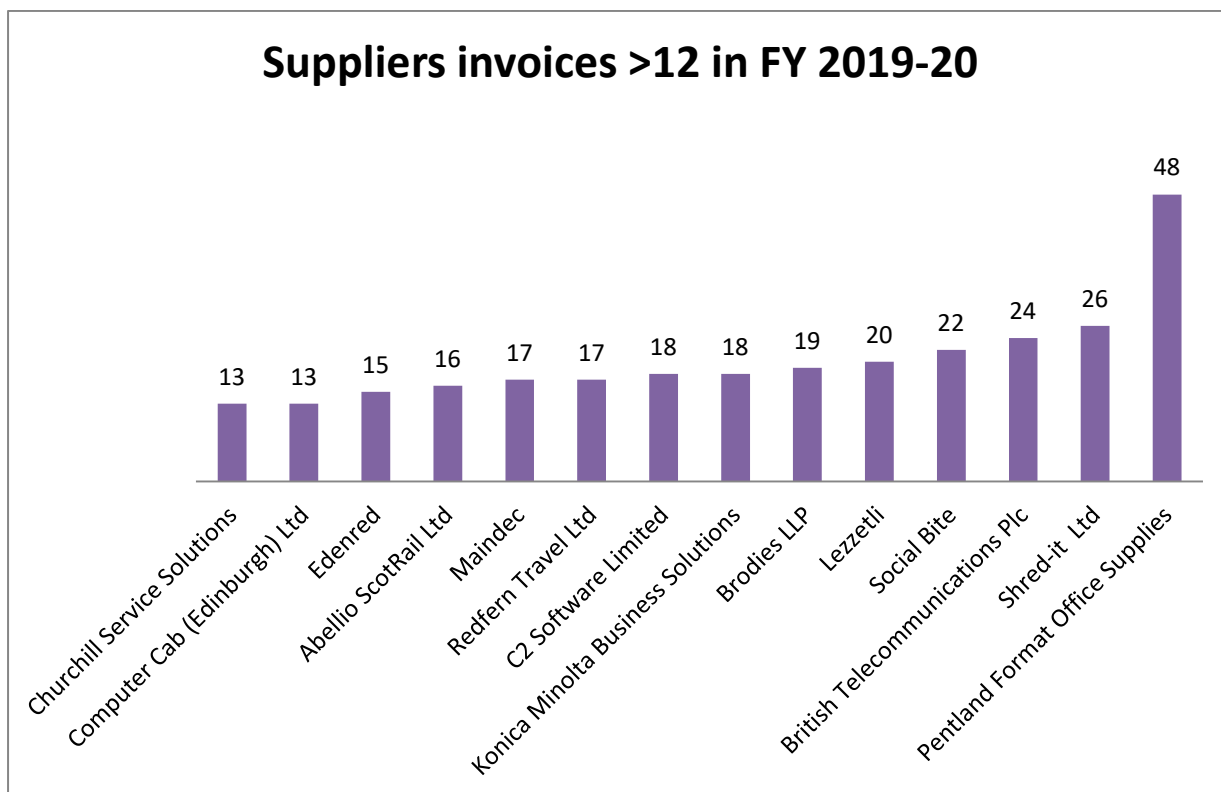
SUPPLIER NAME	GROSS VALUE PER ANNUM £'000	REASON FOR SUPPLIER	ACTION FOR 2020-21
SAS Software Limited	38	ICT – Analytical Software	Further investigation of Government frameworks to be completed.
Abellio ScotRail Ltd	21	Train tickets at face value without any agency fees.	In FY 2019-20 this was reviewed alongside Government travel framework which has an additional fee per train ticket. In FY 2020-21 ensure that this is still a cost saving measure
NLA Media Access	20	NLA Media License – only supplier	Media License is required for copyright control and this is the only supplier
Pressdata	13	Scottish Media Monitoring	Provides the most comprehensive Scottish cover. In FY 2020-21 move to Framework which is for renewal in November.
A&K Maintenance	9	Maintenance ad-hoc works	Obtain a contract for small maintenance works
Newsquest (Herald & Times) Ltd	8	Recruitment Adverts	HR will advertise on Civil Service website where appropriate. S1 Jobs provides suitable area coverage for local applicants
Pentland Format Office Supplies	7	Office supplies	Moved onto the Scottish Government Framework in September (SP-14-009)
Stirling Court Hotel	6	Event Space	Two events in the year
Sanas Ancient Wisdom	6	Staff Welfare (acupressure)	Review completed in 2019 for similar local services and employee usage across two year period
Cintra HR & Payroll Services Ltd	6	Payroll Services	Expired CCS Framework – to review

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 £744k procurement spend in this

period with £416k (56%) using the Government Procurement Frameworks. A full breakdown of this procurement is provided in Annex A.



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 the invoice process could potentially be improved to condensed monthly invoices. Out of those who have issued greater than 20 invoices they are mainly billed upon consumption and are smaller businesses therefore receiving prompt payment is beneficial to them.



Contracts awarded during FY 2019-20

9. During FY 2019/20 we have awarded six procurement contracts.

10. The contract register is detailed below:

TITLE	TYPE	START DATE	END DATE	FRAMEWORK	SUPPLIER NAME
SFC Legal Tender Framework	Services	01/01/2020	01/01/2024	No	Burness Paull
Contract for provision of Learning Pool Essential Plus Learning Management System	Services	10/01/2020	09/01/2023	No	Learning Pool
General Stationery and Office Paper Framework for the Public Sector (SP-14-009)	Services	19/09/2019	31/03/2021	Yes	Lyreco
Crown Commercial Services Travel Framework (RM6016)	Services	01/09/2019	28/02/2021	Yes	CTM (North)
Scottish Procurement Water & Waste Billing Services (SP-18-040)	Services	01/04/2020	31/03/2023	Yes	Business Stream
Facilities – Toilet Conversion	Services	March2020	March 2020	No	Scotswood Interiors Ltd
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
Office Equipment Framework	Services	03/06/2017	02/06/2021	Yes	Konica Minolta

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 167 suppliers paid in the period 76 were SME business. From the contracted procurement the number of SMEs is 17 suppliers. (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. From the contracted procurement the number of Accredited or committed living wage suppliers is 11. (As per the Living Wage Foundation website).
14. From the contracted procurement 8 suppliers 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 have used Haven Signs a Supported Business in FY 2019-20.

Future procurements

16. Within the next financial year there are currently three upcoming procurement projects.

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 2019-20

SUPPLIER NAME	TYPE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
Maindec	Information & Communications Technology	SG Framework	128	YES
Kick ICT Group Ltd	Information & Communications Technology	CCS Framework	91	YES
Scott-Moncrieff	Professional Services	SFC Tender	45	NO
SAS Software Ltd	Information & Communications Technology	Not-Contracted	38	NO
Abellio ScotRail Ltd	Travel	Own agreement - not contracted	37	NO
QMPF LLP	Services	SFC Tender	33	NO
Edenred	Childcare Vouchers	CCS Framework	32	NO
C2 Software Limited	Information & Communications Technology	CCS Framework	31	YES
Churchill Contract Services Group Holdings Ltd	Services	SFC Tender	25	NO
Execspace	Travel	SG Framework	24	YES
BME Solutions Limited	Information & Communications Technology	CCS Framework	21	YES
Redfern Travel Ltd	Travel	CCS Framework	21	NO
NLA Media Access	License	Not-Contracted	20	NO
Aspen People	Recruitment	SFC Tender	19	YES
JISC Services Ltd	Information & Communications Technology	APUC Framework	17	NO
Brodies LLP	Legal services	SFC Tender	16	NO
Learning Pool	Information & Communications Technology	SFC Tender	15	YES
Pressdata	Media Monitoring	Not-Contracted	13	YES
Virgin Media Business	Information & Communications Technology	SG Framework	12	NO
Konica Minolta Business Solutions	Print/ Stationery	SG Framework	12	NO
Scotwood Interiors	Office Maintenance	SFC Tender	11	YES

SUPPLIER NAME	TYPE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
Castle Computer Services Ltd	Information & Communications Technology	CCS Framework	10	YES
Bottomline Technologies	Information & Communications Technology	CCS Framework	9	NO
APS Group (Scotland) Ltd	Information & Communications Technology	SG Framework	9	YES
Exactive	Information & Communications Technology	SFC Tender	9	YES
A & K Maintenance	Office Maintenance	Not-Contracted	9	YES
Newsquest (Herald & Times) Ltd	Recruitment	Not-Contracted	8	NO
Pentland Format Office Supplies	Office Supplies	Not-Contracted	7	YES
Stirling Court Hotel	Travel	Not-Contracted	6	YES
Newsdirect	Services	SFC Tender	6	YES
Sanas Ancient Wisdom	Staff Welfare	Own agreement - not contracted	6	YES
Cintra HR & Payroll Services Ltd	Information & Communications Technology	Not-Contracted	5	YES
Total			745	