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# Annual Procurement Report 2020-21

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Responsible Executive:	Finance Directorate
Responsible Office:	Procurement Services

# Heriot-Watt University Annual Procurement Report

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## Purpose & Executive Summary

*From a pioneering institute born out of the Scottish Enlightenment in 1821, to a leader in transnational education, Heriot-Watt has become a global university through a commitment to its vision, mission and ethos.*

***Our vision** is to be world leading within all our areas of specialism. **Our mission** is to create and exchange knowledge that benefits society. **Our ethos** is we put our community of students, staff and alumni at the heart of everything we do. Our distinctive strengths will continue to build a global University that pioneers innovation in education, research and enterprise.*

*Through 'Strategy 2025', Heriot-Watt is driving forward as an international university which places students and staff at the heart of everything we do. Heriot-Watt is a distinctive University with global reach and a proud history of providing access to education, ideas and solutions that make a real contribution to the world. Our strategy is all about shaping tomorrow together. It comprises four high-level themes that connect to our activities and which will guide how we will continue to pioneer in education, excel in research, build flourishing communities and develop our globally connected status.*

### Purpose

The Procurement Reform (Scotland) Act 2014 ('the Act') requires Scottish public sector contracting authorities with regulated procurement activity of £5M or more per annum to have prepared a Procurement Strategy. Authorities, including Universities, are legally required to develop and to publish a procurement strategy are also required to publish an Annual Procurement Report, reflecting on the relevant reporting period against their Procurement Strategy.

Accordingly, Heriot-Watt University is pleased to publish our third Annual Procurement Report covering the period 1st August 2020 to 31st July 2021. This report summarises the activities that have been carried out at the UK campuses in delivering the University's Procurement Strategy.

### Executive Summary

The University's Procurement Strategy is aligned with its strategic focus of moving towards a single, globally connected University which supports and enhances exchange, collaboration and partnership. The four strategic themes and SPIs of 'Strategy 2025' underpin our strategic procurement objectives and procurement action plan.

Stakeholder engagement is key to the development of the Procurement Strategy and will continue as the foundation for assessing our regulatory compliance, the constant pursuit of value for money in all that we do, and delivery against our strategic aims and objectives, in line with the University's 'Strategy 2025'.

This process of review and reporting will inform any adjustments to the Procurement Strategy and Action Plan which are deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences on which the University may need to adjust to meet its broader aims and objectives.

The impact of the COVID-19 pandemic and Brexit continues to evolve and present challenges to the University and its suppliers. Recent events have highlighted the fragility of international supply chains and it is evident that the current economic turbulence could have a long-term impact on businesses and their associated supply chains. Procurement Services has continued to monitor the risks and support our stakeholders, as well as our suppliers, in all of our communities throughout these economic changes.

Key progress and achievements of this reporting period include:

- **Value for Money and Efficiencies** – The University continues to have a pro-active strategy of delivering efficiencies and value for money. At the UK campuses, Procurement Services awarded a total of 55 procurement exercises at a value £7.94M in this reporting period, of which 42 were regulated procurements (£7.08M). These procurement exercises, regulated and non-regulated,

carried out by the division have contributed an estimated total of £1.13M<sup>1</sup> of cash savings for the University, together with non-cash quality enhancements in service delivery and efficiency savings.

- **Enterprise Resource Planning (ERP) Platform** - In this reporting period, the University implemented a new cloud ERP platform with the aim of transforming our core people and money processes. Procurement Services has provided leadership and resource to support the delivery of a solution to meet the strategic objectives of the University, as well as embedding 'one HW way' across all campuses wherever possible. This implementation has provided the division with the opportunity to streamline and standardise the purchase-to-pay process, as well as other supporting financial procedures, to deliver efficiencies and facilitate best purchasing practices.
- **Sustainability** - Procurement Services continues to be committed to integrating sustainability into everyday practice and decision-making processes, thereby minimising our environmental impact and optimising the social and economic outcomes associated with our operations. Embedding sustainability considerations within our procurement processes supports implementation of the University's Strategic Plan and the attainment of the UN Sustainable Development Goals. The University is committed to entering into agreements and contracts with suppliers that share and adhere to our vision.
- **Global Procurement** - Procurement Services has been working towards its objective of delivering a more cohesive, global and efficient approach to procurement across all campuses, ensuring that we are aligned in our strategic direction, capitalising on our global opportunities and embedding standardised operations wherever possible. There has been an increased amount of positive and valuable collaboration across the campuses, building a culture that reinforces our global, connected identity.
- **Stakeholder Engagement** - Procurement Services has increased its engagement with the Academic Schools and Professional Service Directorates. The division regularly consults with internal and external stakeholders to identify opportunities for increased value for money, savings and efficiencies, as well as opportunities and risks which require procurement support. Procurement Services also actively seek and consider both informal and formal feedback from the stakeholders and suppliers involved at any stage on potential improvements to identify opportunities to enhance and streamline our processes and procedures.

Looking forward to the next reporting period, Procurement Services has identified our strategic procurement efforts in reflection of the University's strategic priorities as well as reviewing our procurement activities. Our objectives include:

- Delivering a strategic and cohesive approach to procurement that is globally aligned, capitalising on opportunities for partnership and collaboration with suppliers for the benefit of research and enterprise;
- Driving forward the sustainable procurement agenda at all campuses, positively contributing to the University's net zero carbon target and becoming a leader in the sector for 'responsible procurement';
- Embedding a coordinated and standardised purchasing approach across the University, through a reshaped staffing structure with more efficient digital systems and processes, in order to deliver savings and improve financial governance; and
- Redeveloping our risk and contract management approach, ensuring that we effectively manage, monitor and control supply chain risks using digital tools and external expertise.

The Annual Procurement Report comprises six sections which address mandatory reporting requirements as follows:

- Section 1: Summary of Regulated Procurements Completed
- Section 2: Review of Regulated Procurement Compliance
- Section 3: Community Benefit Summary

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<sup>1</sup> Total delivered cash savings for local (Category C) contracts and collaborative (Category A and B) contracts.

Section 4: Supported Businesses Summary  
Section 5: Future Regulated Procurements Summary

Report Approved: 16 December 2021

By name of Authorising Body: University Court

A handwritten signature in black ink, appearing to read 'R Williams', written in a cursive style.

Signed Responsible Officer:

Professor Richard A Williams OBE FREng FTSE FRSE

Position:

Principal and Vice Chancellor

## Section 1: Summary of Regulated Procurements Completed

*Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of the regulated procurements that have been completed during the year covered by the report”. The PRA defines Regulated Procurement as “all procurements for goods and services with an estimated value equal to or greater than £50,000 and procurement for works with an estimated value equal to or greater than 2 million”*

Heriot-Watt University conducts its procurements in a transparent and inclusive manner, with its procurement objectives and outcomes aligned the University’s Strategy 2025.

During the period covered by this report, the University’s Procurement Services at the UK campus have awarded 42 regulated local contracts, valued at approximately £7.08M (excluding VAT). These include both GPA<sup>2</sup> and PRA Regulated Procurement<sup>3</sup>, as well as call-off contracts from collaborative agreements (with a value of greater than £50,000). A summary of the University’s regulated procurements can be found below (Table 1 and Table 2).

A summary of formal mini-competitions or quotations which were carried out through Procurement Services has also been included (Table 3).

All procurement exercises, regulated and non-regulated, carried out by the division have contributed an estimated total of £1.13M<sup>4</sup> of cash savings for the University, together with non-cash quality enhancements in service delivery and efficiency savings.

Section 9 of the Procurement Reform (Scotland) Act 2014 details the Sustainable Procurement Duty and in particular the facilitation of the involvement of small and medium sized enterprises (SMEs). During the period(s) covered by this report, 73% of the value of the regulated procurements was awarded to SMEs. Of the number of regulated procurements awarded during the period, 83% of the organisations were SMEs.

The University has also continued to make optimal use of national (i.e. Scottish Procurement or Crown Commercial Services) and sectoral (i.e. APUC) collaborative contracts and framework agreements. 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. £7.02M, or 20%, of the University’s procurement influenceable expenditure<sup>5</sup> was routed via collaborative agreements in this reporting period, with or without further competitions.

Annex A shows a full list of the Regulated Procurements completed. These are shown in chronological order based on the date of award and separated into contract categories and distinguishing collaborative contracts from institutional ones. For each completed regulated procurement, the information provided shows:

- Category subject matter
- Name of the supplier(s)
- Collaborative- or institution- owned
- Date of award
- Start dates
- End dates *\*disregarding any option to extend the contract.*
- End dates *\*including any option to extend the contract.*

<sup>2</sup> Goods and services of £189,330; Works of £4,733,252.

<sup>3</sup> Goods and services of £50,000; Works of £2,000,000.

<sup>4</sup> Total delivered cash savings for local (Category C) contracts and collaborative (Category A and B) contracts.

<sup>5</sup> Excluding capital expenditure.

- Estimated value of the contract \*Total value over contract period, inclusive of possible extensions.
- SMEs, Supported Business, Living Wage Accredited

This information, coupled with the publication of the University's [Contracts Register](#) and the systematic use of the Public Contracts Scotland tendering portal, provided complete visibility of the University's procurement activity over the reporting period.

**Table 1: Number of Regulated Procurements Completed**

<b>Number of Procurements</b>	<b>Aug 2020 – Jul 2021</b>
GPA Regulated Procurements	7
PRA Regulated Procurements	27
Mini-Tenders from Collaborative Agreements (>£50K)	8
<b>Total</b>	<b>42</b>

**Table 2: Value of Regulated Procurements Completed**

<b>Value of Procurements</b>	<b>Aug 2020 – Jul 2021</b>
GPA Regulated Procurements	£2,247,621
PRA Regulated Procurements	£2,622,605
Mini-Tenders from Collaborative Agreements (>£50K)	£2,210,183
<b>Total</b>	<b>£7,080,410</b>

**Table 3: Summary of Non-Regulated Procurements Completed (<£50K)**

<b>Number of Procurements</b>	<b>Aug 2020 – Jul 2021</b>
Number of Non-Regulated Procurement Projects	14
Value of Non-Regulated Procurement Projects	£858,674

## Section 2: Review of Regulated Procurement Compliance

*Section 17 of the Procurement Reform (Scotland) Act 2014 requires that Regulated Procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any Regulated Procurements did not comply, a statement of how the University intends to ensure that future Regulated Procurements do comply".*

Not only does the University's Procurement Strategy set out how regulated procurement will be undertaken in compliance with the Procurement Reform (Scotland) Act 2014, it sets out the strategic approach as to how Procurement Services will support the University in its delivery of 'Strategy 2025' within a challenging economic, legislative and regulatory environment.

Successful delivery against the procurement strategy objectives is part of our continual improvement process. It identifies and facilitates the implementation of incremental improvements to our outcomes, ensuring that we are continuing to support the University's strategic, operational and commercial objectives and its ambition of building a globally connected University, and that we are responding to external drivers and regulatory changes.

Procurement Services consults with internal and external stakeholders to identify risks, issues and opportunities for regulated procurements. Our funding bodies and both internal and external auditors scrutinise procurement legal compliance, the use of collaborative contracts, and adherence to internal regulations and policies.

At the UK campuses, regulated procurements are undertaken with consideration of the EU Treaty Principles of non-discrimination, free movement of goods, freedom to provide services and freedom of establishment. In addition, general principles of the European Court of Justice are applied to the entirety of the University's procurement activities, which are equality of treatment, transparency, proportionality and mutual recognition.

No legal actions were taken against a University procurement exercise in this period.

Our procurement policies and procedures at the UK campuses align fully with the Scottish Government Procurement Journey. In this reporting period, a new procurement framework for the UK campuses was drafted and approved by Audit & Risk Committee. The revised policy ensures that our procedures continue to be conducted in accordance with best practice and in a legally compliant manner, which are consistent with the rest of the Scottish public sector.

Compliance with each part of the procurement strategy is shown in **Annex B**.

Procurement Services is currently reviewing its current procurement strategy with an updated strategy being put in place in Spring 2022. In reflection of the University's strategic priorities, as well as reviewing our procurement activities, we have identified our strategic procurement efforts for the next reporting period:

- Delivering a strategic and cohesive approach to procurement that is globally aligned, capitalising on opportunities for partnership and collaboration with suppliers for the benefit of research and enterprise.
- Driving forward the sustainable procurement agenda at all campuses, positively contributing to the University's net zero carbon target and becoming a leader in the sector for 'responsible procurement'.



- Embedding a coordinated and standardised purchasing approach across the University, through a reshaped staffing structure with more efficient digital systems and processes (ERP), in order to deliver savings and improve financial governance.
- Redeveloping our risk and contract management approach, ensuring that we effectively manage, monitor and control supply chain risks using digital tools and external expertise.

We plan to translate these strategic objectives and desired outcomes into detailed actions to enhance our procurement operation, delivering an improved service model and better procurement solutions that facilitate excellence in research, education and enterprise.

## Section 3: Community Benefits Summary

*Section 18(2)(d) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for an annual procurement report to include “a summary of any Community Benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”. Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities “must consider whether to impose Community Benefit requirements as part of the procurement” when the estimated contract value is greater than or equal to £4,000,000.*

Heriot-Watt University is committed to maximising community benefits from its procurement activities.

For every procurement over £4M, the University considers 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.

The University’s approach to identifying community benefit opportunities is carried out on an individual basis with engagement and consultation with stakeholders. Where relevant and proportionate to the subject matter of the procurement, the requirement is then built into the procurement specification. As part of the tendering process, Tenderers are asked to describe their approach to delivering the community benefits noted in the tender specification. Tenderers are also encouraged to identify additional benefits or opportunities that will deliver social value through the performance of a contract.

Community benefits typically include, but are not limited to:

- Apprenticeships and job opportunities from priority groups and young people;
- Opportunities in the supply chain for SMEs and third sector bodies;
- Work experience placements for young people at school, college and university;
- Support to young people to become successful learners, confident individuals, effective contributors and responsible citizens – including school visits, structured career events for school pupils or college students, mentoring, mock interviews and assistance with CVs; and
- Requirements targeted at specific groups (for example long-term unemployed, residents of deprived areas, ex-offenders).

Heriot-Watt University had no contracts over the regulated community benefits threshold of £4M at the UK campus during this reporting period.

Due to the subject matter of the procurements in this reporting period, the specific community benefits requirements outlined above were not built into the tendering process for procurements valued at below the £4M threshold. However, additional benefits in relation to training and collaboration to further develop staff and research activities were built into the following procurements and are currently being delivered.

Category	Supplier Name	Contract Award	Contract Start Date	Contract End Date	Estimated Value (£)	Benefit
DHCP, DNS and IPALM Equipment	Circle IT Solutions Ltd	01/06/21	31/8/2021	12/09/2022	£102,934	A rebate is available to allocate to any Development Activity-related expenditure, such as: CPD activities for the Information Services Team; Course related manufacturer accreditations for Computer Science students; Hardware or Software for development activities that Heriot-Watt University

						considers relevant; Sponsorship of Heriot-Watt University events
Insurance Services 2021/22	UM Association Ltd	14/05/2021	01/08/2021	31/07/2022	£435,000	Professional development opportunities for staff including CII training and attendance at sector conferences
Scanning Electron Microscope	Tescan UK Limited	04/11/2020	04/11/2020	15/10/2021	£85,000	Training classes for Theory and Practice provided by Electron Microscopist; Collaboration for software testing and shared results for publication
Broad Ion Beam System	Lambda Photometrics Limited	04/11/2020	04/11/2020	15/10/2021	£85,218	Collaboration in recipe development for problematic samples
Functional Materials Inkjet Printer	Printed Electronics Limited	15/01/2021	15/01/2021	14/01/2022	£84,181	Additional training and support HWU to become DPM system experts

It is also worth noting that Procurement Services is currently working closely with Robertson Construction to ensure that the community benefits outlined in last year's procurement for the National Robotarium are delivered. The below table outlines the progress at the time of writing this report.

KPI	Target	Delivered (to date)	Notes
Engagement Activities	4	21	-
Internships HWU Students	1	2	Robertson Construction is working with HWU to meet this target
Graduates HWU Students	2	2	-
Work Placements	8	7	Robertson Construction is working with HWU to meet this target
New Jobs Created	4	1	-
Equality toolbox talk	0	1	To be carried out October 2021

## Section 4: Support Businesses Summary

*Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”.*

For all regulated procurements, Heriot-Watt University 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 University.

During the period covered by this report, the University awarded no contracts to a Supported Business.

In 2021-22, the University's aim is to ensure that we work with Contractors to facilitate opportunities for supported businesses and third sector organisations where possible.

## Section 5: Further Regulated Procurements Summary

*Future Regulated Procurements Summary Section 18(2) (f) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.”*

Heriot-Watt University is keen to encourage competition by promoting participation in its procurement process and achieve better value for money in its procurements. One method to meet this objective is to provide notice to suppliers of tendering opportunities that are expected over the next two financial years, after the period covered by this report.

Future Regulated Procurements have been identified via the following means:

- Current contracts recorded in our contract register that will expire and need to be extended or re-let; and
- New requirements identified via future work plans provided by the Academic Schools and Professional Services departments, along with anticipated work plans for investment programmes and special projects.

**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 content of this Annex represents the output of a non-exhaustive analysis of anticipated expenditure.

The information provided in Annex C covers:

- Subject matter of the anticipated regulated procurement;
- Whether it is a new or re-let procurement;
- Expected contract notice publication date;
- Expected award date;
- Expected start and end date *\*Disregarding any option to extend the contract;* and
- Estimated value of the contract *\*Total value over contract period, inclusive of possible extensions.*

In consultation with stakeholders across the University, Procurement Services has identified opportunities where further value for money could be leveraged from re-let contracts. Key procurements over the next two financial years include: Multi-Functional Device (MFD) Replacement Programme (incl Fleet and Print Room), Network Equipment Refresh, Temporary and Interim Staff Framework, Travel Management Services, Laser Optical Consumables and CCTV Upgrade.

## Annex A: Regulated Procurement 1 August 2020 – 31 July 2021

Category Subject Matter (Title/Desc)	Supplier	Owner	Contract Award	Contract Start Date	Contract End Date excl Extensions	Contract End Date incl Extensions	Est. Value (Contract Period)	SME Status	Living Wage Accred (Y/N) <sup>6</sup>	Scottish Business Pledge (Y/N)
Water Quality Management Services	Rock Compliance	B	30/09/2020	01/10/2020	30/09/2022	30/09/2022	£240,000	Medium	Yes	No
EES M365 Education A3 Unified Shared Server	Phoenix Software	B	01/10/2020	01/10/2020	30/09/2021	30/09/2021	£213,056	Medium	No	No
Media Buy (Interim Contract)	Republic of Media	B	01/10/2020	01/10/2020	30/09/2021	30/09/2021	£100,000	Medium	Yes	Yes
Die Sinking Electrical Discharge Machine	Sodi-tech EDM	C	09/10/2020	09/10/2020	08/04/2021	15/10/2021	£112,675	Small	No	No
Single Sided Fibre Alignment System	Pi (Physik Instrumente)	C	13/10/2020	13/10/2020	12/10/2021	12/10/2021	£138,336	Micro	No	No
Sigma 7 Haptic Device	Force Dimensions	C	13/10/2020	13/10/2020	12/10/2021	12/10/2021	£115,333	Small	No	No
Haptic Robot Manipulator	Haption	C	13/10/2020	13/10/2020	12/04/2021	12/10/2021	£66,425	Small	No	No
Underwater Robotic 7-Function Manipulator	Blue Print Lab	C	13/10/2020	13/10/2020	12/04/2021	12/10/2021	£61,204	Small	No	No
Injection Moulding Machine	Boy	C	13/10/2020	13/10/2020	12/10/2021	12/10/2021	£59,765	Small	No	No
3D Nanolithography System	Nanoscribe GmbH	C	27/10/2020	27/10/2020	26/04/2021	15/10/2021	£407,858	Small	No	No
Broad Ion Beam System	Lambda Photometrics Ltd	C	04/11/2020	04/11/2020	03/05/2021	15/10/2021	£85,218	Micro	No	No
Scanning Electron Microscope	Tescan UK	C	04/11/2020	04/11/2020	03/04/2021	15/10/2021	£85,000	Small	No	No
Non-Contact 3D Surface Profile Measurement Workstation	Sempre Group	C	11/11/2020	11/11/2020	10/05/2021	15/10/2021	£107,945	Small	No	No
Fibre Laser Welding Workstation	ACSYS Lasertechnik UK	C	08/12/2020	08/12/2020	07/12/2021	07/12/2021	£137,901	Small	No	No
Fresh Butcher Meat	Campbells Prime Meat	B	10/12/2020	10/12/2020	09/12/2021	09/12/2022	£76,000	Medium	No	No
X-ray diffractometer	Malvern Panalytical	C	16/12/2020	16/12/2020	15/12/2021	15/12/2021	£249,995	Medium	No	No
Matlab TAH License Renewal	MathWorks	C	21/12/2020	01/01/2021	31/12/2021	31/12/2021	£112,714	Medium	No	No
Amazon Business	Amazon	B	01/01/2021	01/01/2021	31/12/2025	31/12/2025	£300,000	Large	No	No
Spot Robot	Boston Dynamics	C	12/01/2021	12/01/2021	11/01/2022	11/01/2022	£58,174	Large	No	No
Functional Materials Inkjet Printer	Printed Electronics	C	15/01/2021	15/01/2021	14/01/2022	14/01/2022	£84,181	Small	No	No

<sup>6</sup> For all Regulated Procurements, Suppliers are expected to adhere to, and adopt, the principles of Fair Work Practices, as detailed by the Scottish Government's fair and equal pay policy which includes a commitment to supporting the Living Wage (where applicable). Although Suppliers may not be accredited by the Living Wage Foundation, they may in fact support and pay the living wage.

Dynamic Mechanical Testing Equipment	Instron	C	22/01/2021	01/02/2021	31/01/2022	31/01/2022	£119,584	Medium	No	No
Arbitrary Waveform Generator and Oscilloscope	Keysight Technologies	C	01/02/2021	01/02/2021	31/01/2022	31/01/2022	£124,247	Large	No	No
Direct Metal Deposition System	Neotech AMT GBH	C	02/02/2021	02/02/2021	01/02/2022	01/02/2022	£271,000	Small	No	No
Optical Tables	Newport Spectra-Physics	C	22/02/2021	22/02/2021	21/08/2022	21/08/2022	£90,221	Small	No	No
K16 Course Migration	Instructure	B	18/03/2021	31/03/2021	31/12/2021	31/12/2021	£192,697	Large	No	No
Materials Testing System	Instron	C	19/03/2021	29/03/2021	28/03/2022	28/03/2022	£91,298	Medium	No	No
TIAGo++ and ARI Robots	Pal Robotics S.L.	C	30/03/2021	30/03/2021	29/03/2022	29/03/2022	£282,815	Small	No	No
Waste Management	Viridor Waste Management	B	06/04/2021	12/04/2021	11/04/2024	11/04/2026	£1,000,000	Large	No	No
Zeiss AxioImager Microscope	MetPrep	C	08/04/2021	01/05/2021	30/04/2022	30/04/2022	£58,500	Micro	No	No
Photon Detector Array	Photon Spot Inc.	C	10/04/2021	25/06/2021	24/10/2022	24/10/2022	£300,953	Micro	No	No
Ultrafast Laser	Crunch Technologies	C	12/04/2021	12/04/2021	11/04/2022	11/04/2022	£300,000	Small	No	No
Advanced Manufacturing Unit Laser Cutter	Mantech UK	C	15/04/2021	01/05/2021	30/04/2026	30/04/2026	£56,475	Medium	No	No
Closed Cycle Cryocooler	My Cryo Firm	C	16/04/2021	29/04/2021	28/04/2021	28/04/2021	£109,226	Small	No	No
Insurance Services 2021/22	UM Association	C	14/05/2021	01/08/2021	31/07/2022	31/07/2022	£435,000	Small	No	No
Cloud Hosted Research Data Storage Solution	Dropbox UK Online	C	17/05/2021	01/06/2021	31/05/2024	31/05/2024	£165,000	Medium	No	No
DHCP, DNS and IPALM Equipment	Circle IT Solutions	C	24/05/2021	01/06/21	31/8/2021	12/09/2022	£102,934	Medium	No	No
SC International Student Tracking	Ellucian Global	C	01/06/2021	01/06/2021	31/5/2021	31/5/2021	£149,700	Medium	No	No
Managed Laundrettes	Circuit Managed Laundry Systems	C	22/06/2021	01/09/2021	31/08/2027	31/08/2029	(Rebate)	Small	No	No
Extreme Network Annual Maintenance & Support	Daisy Networks	B	23/06/2021	01/09/2020	31/08/2021	31/8/2021	£88,430	Large	No	Yes
HPLC-Liquiface-GHG-irMS	Elementar UK	C	08/07/2021	16/07/2021	15/07/2021	15/07/2021	£175,000	Small	Yes	No
Spot Robot equipped with a Robotic Arm	Boston Dynamics	C	08/07/2021	16/07/2021	15/07/2021	15/07/2021	£99,300	Large	No	No
Business Simulation Platform	Business Smart International	C	15/07/2021	01/10/2021	30/09/2024	30/09/2024	£56,250	Micro	No	No

## Annex B: Commentary on Strategy Delivery and Compliance

Objective	Commentary on Strategy Delivery and Compliance
<p><b>To work with academic budget holders, professional services colleagues and suppliers to deliver innovation and optimal value to the learning, research and professional service communities, through the development of an effective coordinated and standardised purchasing effort within the University and by providing innovative solutions for procurement requirements.</b></p>	<p>Procurement Services ensures that our outcomes and operations are consistent with, and fully supportive of, the University's strategic and operational objectives. Procurement proactively works to support the University's SPIs. This includes (but is not limited to):</p> <ul style="list-style-type: none"> <li>- Ensuring, and promoting, Procurement Services as a business enabler from a strategic standpoint point, not only for the University but also for our supply chains;</li> <li>- Using the procurement journey as a means to achieve best value for money</li> <li>- Support initiatives that reduce costs and drive efficiencies across the University;</li> <li>- Fostering partner relationships with suppliers to enhance research activities and the student and staff experience;</li> <li>- Seeking innovative procurement solutions that will build flexibility and sustainability into our business activities;</li> <li>- Supporting the delivery of the University's infrastructure programme to improve quality of experience for the academic, student and staff communities alike;</li> <li>- Encouraging participation by local businesses through direct engagement, advertising opportunities on the relevant e-portals, and where appropriate lotting requirements;</li> <li>- Using the procurement journey as a means to achieve best value for money and to support initiatives to reduce costs across the University.</li> </ul> <p>In addition, Procurement Services works closely with colleagues across the University to:</p> <ul style="list-style-type: none"> <li>- Streamline and standardise the purchase-to-pay process to reduce inefficiencies and facilitate best purchasing practice;</li> <li>- Review non-regulated purchasing to eliminate unnecessary or duplicate spend, increase the value benefits of aggregated purchasing, reduce the costs in relation to purchasing, and ensure compliance with procurement regulations;</li> <li>- Provide budget support based on contracted pricing and associated timescales;</li> <li>- Review and approve all new supplier requests to prevent off-contract spend, ensure compliance with procurement regulations, and minimise the potential for fraud.</li> </ul> <p>Procurement Services has carried out regular engagement sessions with the Academic Schools and Professional Services Directorates across the University. This engagement is to not only plan our tender activity and ensure legislative compliance, but to also take advantage of opportunities to consolidate requirements and collaborate, increase value for money and efficiencies, and to enhance purchasing processes. Engagement with internal and external stakeholders and suppliers also provides valuable feedback and enables the University to test the 'fitness' of its strategies, as well as its purchasing processes and procedures.</p> <p>In this reporting period, a new procurement framework for the UK campuses was drafted and approved by Audit &amp; Risk Committee. The revised policy ensures that our procedures continue to be conducted in accordance with best practice and in a legally compliant manner, which are consistent with the rest of the Scottish public sector. This policy also includes a new Non-Competitive Action procedure, detailing the procedural requirements for regulated and non-regulated procurements.</p> <p>Procurement activities, irrespective of value, follow the guidelines set out in the Scottish Government Procurement Journey. This helps to manage the expectations of stakeholders and suppliers. It ensures that best practice is adopted and consistent methodology applied across the University's procurement activities which is in line with the public sector.</p> <p>Procurement awareness has been raised in this reporting period and a suite of training programmes has been used to deliver training to key functional areas.</p> <p>In this reporting period, the University implemented a new Cloud ERP Platform with the objective of transforming our core people and money processes to ensure efficiency and effectiveness and to provide robust and accurate management information on which to base strategic and operational decisions. Procurement Services has provided leadership and resource to support the delivery of a solution to meet the strategic objectives of the University, as well as embedding 'one HW way' across all campuses wherever possible. This implementation has provided the Procurement Services division with the opportunity to streamline and standardise the purchase-to-pay process, as well as other supporting financial procedures, to reduce inefficiencies, facilitate best purchasing practice and decrease maverick spend.</p> <p>Procurement Services has continued to support the University to achieve its globally connected aspirations. The division has been working towards its objective of delivering a more cohesive, global and efficient approach to procurement across all campuses, ensuring that we are aligned in</p>



	<p>our strategic direction, capitalising on our global opportunities and embedding standardised operations wherever possible. There has been an increased amount of positive and valuable collaboration across the campuses, developing a culture that reinforces our global, connected identity. Procurement Services has been heavily involved in the delivery of the new Dubai campus and in developing its in-house procurement-operating model, as well as assisting the Malaysia campus with its procurement practices and procedures.</p> <p>The Purchasing Card Programme was reviewed by our Internal Auditors in 2019. The review highlighted that there are a number of weaknesses in terms of the administration and management of the cards. Procurement Services have since been working throughout this reporting period to address the weaknesses in the controls across all aspects of the Purchasing Card programme, implementing and embedding best purchasing practices across the University as well as robust governance in the administration and management of the Cards. Both the number of cards and the spend on the cards has significantly reduced in this reporting year. The effort of Procurement Services was commended by the University Executive, Audit and Risk Committee and the Internal Auditors.</p>
<p><b>To promote the delivery of value-for-money, savings and efficiencies across the University through best practice procurement and optimal use of collaboration opportunities for the benefit of its research, education and enterprise activities.</b></p>	<p>The University continues to have a pro-active strategy of delivering efficiencies and value for money. Procurement exercises, regulated or non-regulated, carried out by the Procurement Services division in this reporting period have contributed an estimated £214M of cash savings for the University, together with non-cash quality enhancements in service delivery and efficiency savings. A further £219K of cash savings (BT1) was achieved by the use of collaborative agreements.</p> <p>The optimal balance of cost, quality and sustainability is at all times used to determine how best value for money can be delivered and to identify sensible aggregation opportunities through collaborative contracting.</p> <p>The University sorts its procurements into procurement categories. How these goods, services and works are bought – local purchasing, use of local, regional and national framework agreements, consolidated contracting – is subject to annual review within the Procurement Services team and, through user consultation, optimal category strategies are agreed, aggregation opportunities are exploited, category and commodity strategies are developed, approved and executed.</p> <p>The University develops optimal procurement strategies for all regulated procurements by consulting with key stakeholders and undertaking supply market research. The University also engages with the supply market when relevant and appropriate. This approach helps to identify opportunities to secure the most appropriate procurement routes that will yield best value outcomes, consistent with the guidelines set out in the Scottish Procurement Journey.</p> <p>For non-regulated procurements, a similar approach is adopted, proportionate to the contract value and business impact of the goods and services in question.</p> <p>All regulated procurements are advertised on PCS and from January 2021, UK Find a Tender, and for EU funded projects, OJEU. For those procurements below the regulatory thresholds, where appropriate, we use PCS Quick Quotes. Our use of PCS expands the opportunity for SMEs to participate in tenders.</p> <p>The University continues to maximise its use of national and sectoral collaborative contracts and framework agreements when it is advantageous to the University, typically when leveraging savings and support in contract and supplier risk management.</p> <p>The University has an established network with APUC, other sector consortia, and sector representative bodies, and effectively engages with other bodies through HE/FE specific and Scottish public-sector events. The University regularly shares tender documentation, lessons learned and operational practices with procurement colleagues across the public sector to ensure optimum value in our tender activity. The University contributes to sector contracting plans and continues to work closely with APUC to develop effective framework agreements to deliver high quality goods and services and best value due to aggregation of spend.</p> <p>Procurement Services also engages with other bodies through HE and FE specific events, Scottish public-sector events and wider UK HE events.</p> <p>The University undertakes thorough expenditure data analysis of (i) each Academic Schools and Directorates and (ii) the aggregated spend across the University. We analyse annual expenditure on goods and services covered by duplicate contracts and tried to remove duplicated effort where feasible and beneficial, also identifying aggregation opportunities through collaboration. By completing this analysis on a regular basis, we are measuring and improving procurement performance and supporting corporate planning.</p> <p>The defined procurement process is managed through a professionally qualified procurement team with access to competency-based training, skills development programmes and career</p>

	<p>development opportunities. Devolved procurement activity is monitored across the institution to secure optimum value delivery while managing supply side risks and taking account of consolidation opportunities. Individual annual performance development reviews of the Procurement Services staff are undertaken to ensure best outputs and to address any development gaps.</p>
<p><b>To engage and develop our supply chains to ensure continued value, managed performance and minimise risk throughout the life of contracts for the benefit of customers, students and our global communities.</b></p>	<p>Procurement Services' recently embedded approach to category management has improved the management of expenditure categories in both a strategic and operational nature. The division was recently reorganised to focus on specific areas of spend, enabling the Procurement Managers to concentrate their time and conduct in-depth supply market analysis to fully leverage procurement decisions on behalf of the global organisation.</p> <p>Procurement Services undertake supply market research and analysis to determine the appropriate strategic route to market. The division also undertakes Contract and Supplier Management risk assessment to identify the appropriate contract management route.</p> <p>The University carries out post reviews to verify that tendering outcomes are delivering against business objectives. These are in turn consolidated into contract and supplier management routes to monitor performance and introduce improvements that are required.</p> <p>For a number of contracts, formal supplier meetings are held over the life of contracts. These meetings provide an opportunity for both parties to discuss performance, plan for future activities, and identify areas which can be developed for mutual benefit. In addition, as contracts for on-going services are renewed, we work closely with internal stakeholders to review requirements and demand as well as improve service based on lessons learned.</p> <p>With the support of APUC, reviews have been carried out to reflect the uncertainties posed by the COVID-19 pandemic and Brexit. Initial assessments of the potential impacts on contracts were completed with mitigating action. This has been shared with the University's Assurance Services team. The University will continue to monitor the impact over to the supply chains the coming months and take mitigating action where possible.</p>
<p><b>Embed sound ethical, social and environmental policies within the procurement function to drive economic sustainability and develop positive partnerships in all of our communities, whilst complying with relevant legislation.</b></p>	<p>The University's Procurement Journey requires consideration of environmental, social and economic issues and benefits on a contract-by-contract basis during the planning and strategy development stages of tenders. During the planning stage, tools (including Prioritisation Methodology) are utilised. Where relevant and proportionate, the Living Wage and fair work practices of suppliers are promoted in tender documentation.</p> <p>Procedures are also in place to ensure that regulated procurements are only awarded to businesses that are capable, reliable and, where relevant, meet appropriate ethical standards and values in the conduct of their business.</p> <p>Each individual procurement strategy and specification templates include a variety of areas to consider, specific to each individual requirement. (i.e., environmental performance, health &amp; safety, fair work practices, government buying standards, etc.) Procurement Services work with University stakeholders in developing these documents to ensure all relevant areas of social, ethical and environmental impact are included in a proportionate manner.</p> <p>The University is committed to contracting only with suppliers comply with all relevant legislation. Where appropriate, and on a contract-by-contract basis, the University will assess the legislation applicable to a procurement and take steps to ensure bidders comply with it e.g., Health and Safety, Late Payment, GDPR legislation.</p> <p>In line with the provisions of the Modern Slavery Act 2015 (the Act), the University has published a 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 have been updated to ensure, where relevant, consideration of and compliance with the Act for our main suppliers and their supply chain partners.</p> <p>The University now ensures that all suppliers on the Purchase Ledger comply with the APUC Supply Chain Code of Conduct.</p> <p>Procurement staff are trained on the principles of sustainable procurement.</p>

The following contracts were awarded without competitive action:

Category Subject	Supplier	Contract Start Date	Contract End Date	Estimated Value (£)	Compliance Issue	Proposed Solution
ERP Consultancy	Skillsbay	05/01/2021	30/11/2021	£263,000	<p>This appointment was to support the University's ERP Programme.</p> <p>The University made a direct award to Skillsbay. The University did not advertise the opportunity or issue an invitation to tender.</p>	<p>To ensure best value for money, future requirements for the ERP Programme will be subject to the relevant procurement procedure in line with the University's procurement policy.</p>
Cyber-Attack Incident response, forensics, and analysis	NCC Group	01/06/2021	31/07/2021	£67,200	<p>NCC Group were appointed carry out investigation and forensic analysis following the attempted cyber-attack at the end of May 2021. This appointment was a time-critical activity to ensure the University had contained the attack in a timely manner. This requirement was approved by the University Executive before engaging NCC.</p> <p>The University made a direct award to NCC Group. The University did not advertise the opportunity or issue an invitation to tender.</p>	<p>Not applicable due to urgency.</p> <p>It is worth noting that market research continues to be used to ensure that we are reviewing the supply market in its entirety. If there is more than one supplier that can, meeting the University's requirements, then invitations to tender will be issued to ensure value for money.</p>

It was worth noting that a new Non-Competitive Action procedure was implemented in 2020-21 at the University, resulting in increased compliance with the University's Procurement Policy and external legislation.

## Annex C: Future Regulated Procurements

As highlighted within Section 5, it is difficult to be precise about providing details of actual requirements in preparing this forward projection of anticipated regulated procurements. 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.

Category Subject	New / Re-Let	Approximate Tendering Start Date	Expected Date of Award	Expected Contract Start Date	Expected Contract End Date (incl extensions)	Estimated Value over contract period (£)
Research Park Marketing Consultancy	New	April 2021	October 2021	October 2021	November 2026	£200,000
Purchase of Ultrafast Yb Laser System	New	April 2021	October 2021	October 2021	October 2022	£200,000
Company Data and Market Pricing Analytics Unified Platform	New	May 2021	September 2021	October 2021	September 2022	£120,000
Estates Condition Survey	New	May 2021	November 2021	November 2021	November 2026	£225,000
Water Quality Management Services	Re-Let	June 2021	September 2022	October 2022	September 2024	£240,000
Executive Search & Recruitment Framework Agreement	New	June 2021	September 2021	September 2022	September 2026	£219,000
Fibre Optic Fusion Splicing Machine	New	July 2021	September 2021	September 2021	September 2022	£140,000
Online Careers Centre Solution	New	August 2021	September 2020	September 2021	August 2021	£60,000
Media Buy Services	Re-Let	August 2021	November 2021	January 2021	December 2025	£8,900,000
Laundry & Linen Services (Commercial and Residential)	Re-Let	September 2021	September 2021	October 2021	October 2022	£80,000
Modular Ultra High Vacuum Chambers for Laser Beamline	New	September 2021	September 2021	September 2021	September 2022	£60,000
Financial Benchmarking & Associated Consultancy Services	Re-Let	September 2021	September 2021	September 2021	July 2025	£550,000
Oriam Tennis Facility Main Contractor	New	September 2021	January 2022	January 2022	January 2023	£3,300,000
Promotional Merchandise and Apparel	New	September 2021	October 2021	October 2021	October 2023	£100,000
Panmure House Data Access Services Upgrade	New	September 2021	October 2021	November 2021	January 2022	£50,000
MFD Replacement Programme	Re-Let	September 2021	April 2022	July 2022	July 2027	TBC
Oriam Grounds Maintenance Equipment	Re-Let	October 2021	November 2021	Jan 2022	December 2025	TBC
Synthetic Pitches Maintenance	Re-Let	October 2021	October 2021	October 2021	September 2024	£60,000
Microsoft SharePoint Implementation Consultancy	New	October 2021	January 2022	January 2022	July 2023	£200,000
Fresh Butcher Meat	Re-Let	October 2021	December 2021	December 2021	December 2023	£150,000
Global Foundation Partnership	New	November 2021	December 2021	March 2021	TBC	TBC
Laser Optical Consumables	New	November 2021	February 2022	March 2022	February 2025	£2,500,000

Optical Spectrometer	New	November 2021	December 2021	January 2021	January 2022	£55,000
Oriam Performance Wing Gym Equipment	Re-Let	November 2021	March 2022	April 2022	April 2027	£180,000
Off-Site Records Storage & Retrieval Services	New	November 2021	January 2022	January 2022	January 2027	£200,000
Staff Engagement Survey	Re-Let	November 2021	February 2022	February 2022	January 2025	£55,000
Insurance Cover & Services	Re-Let	November 2021	January 2022	August 2022	August 2025	£1,500,000
Engineering Inspection Services	Re-Let	November 2021	January 2022	August 2022	August 2026	£600,000
Replacement Collaboration Tool VLE Plugin	New	November 2021	April 2022	July 2022	July 2025	£150,000
Teaching Aid Consumables	Re-Let	December 2021	February 2022	February 2022	February 2027	£55,000
Fire Alarm & Disabled Refuge System Maintenance	New	December 2021	April 2022	May 2022	May 2027	£200,000
Print Books and Standing Orders	Re-Let	December 2021	March 2022	April 2022	March 2026	TBC
Travel Management Services	Re-Let	December 2021	April 2022	July 2022	June 2025	TBC
Taxi Hire	Re-Let	January 2022	TBC	TBC	TBC	TBC
Pest Control Services	New	January 2022	May 2022	June 2022	June 2027	TBC
Fresh Dairy Products	Re-Let	January 2022	May 2022	June 2022	June 2025	TBC
Corporate Banking Services	Re-Let	January 2022	March 2022	July 2022	July 2027	£1,500,000
Student Records Management	New	January 2022	April 2021	June 2022	May 2025	£480,000
Network Equipment Upgrade	Re-Let	January 2022	April 2021	June 2022	May 2027	TBC
Internet Service Provider for Halls of Residence	New	January 2022	March 2022	September 2022	August 2027	£200,000
Adobe Software Suite	New	January 2022	April 2022	July 2022	Aug 2025	£200,000
Oriam Strength & Conditioning Equipment	New	February 2022	March 2022	May 2022	May 2025	£150,000
Oriam Grass Pitch Maintenance	Re-Let	February 2022	March 2022	April 2022	March 2025	£256,000
Data Warehouse	New	February 2022	June 2021	July 2022	June 2025	TBC
Residences Bedding Packs incl. Bathroom	Re-Let	February 2022	April 2022	May 2022	September 2026	£60,000
Oriam Sports Fitness and Gym Equipment	New	February 2022	March 2022	May 2022	May 2025	£150,000
Lift Maintenance	New	March 2022	July 2022	August 2022	July 2027	TBC
Fire Fighting Equipment Maintenance Services	New	March 2022	July 2022	August 2022	July 2027	TBC
High Voltage Maintenance Services	New	March 2022	July 2022	August 2022	July 2025	TBC
Temporary and Interim Staff	Re-Let	April 2022	September 2022	December 2022	December 2026	4,000,000
Gas Boilers Service & Maintenance	New	April 2022	August 2022	September 2022	September 2027	TBC

Brand & Creative Services	Re-Let	May 2022	August 2022	August 2022	January 2025	£55,000
Student Assignment Marking Software Product Integration	Re-Let	May 2022	July 2022	Aug 2022	TBC	TBC
Media Monitoring	Re-Let	May 2022	July 2022	August 2022	July 2025	£60,000
Business Development Training Provider	New	May 2022	July 2022	July 2022	July 2025	£100,000
Procurement Card Programme	Re-Let	June 2022	September 2021	December 2022	November 2025	(Rebate)
Air Conditioning Maintenance and Reactive Works	New	September 2022	May 2022	January 2022	July 2027	TBC
Window Cleaning Services	New	May 2023	July 2023	July 2023	July 2027	£150,000
Oracle Fusion Cloud Consulting & Implementation Services	New	TBC	TBC	TBC	TBC	TBC
CCTV Upgrade Works	Re-Let	TBC	TBC	TBC	TBC	TBC
Legal Services	Re-Let	TBC	TBC	TBC	TBC	TBC
Graduation Photography Services	Re-Let	TBC	TBC	TBC	TBC	TBC
Student Services Portal	Re-Let	TBC	TBC	TBC	TBC	TBC
e-Payment Services	Re-Let	TBC	TBC	TBC	TBC	TBC

## Annex D: Scottish Government Report

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

<b><u>1. Organisation and report details</u></b>	
a) Contracting Authority Name	Heriot-Watt University
b) Period of the annual procurement report	2020-21
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<b><u>2. Summary of Regulated Procurements</u></b>	
<b><u>Completed</u></b>	
a) Total number of regulated contracts awarded within the report period	42
b) Total value of regulated contracts awarded within the report period	£7.08M
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	42
i) how many of these unique suppliers are SMEs	35
ii) how many of these unique suppliers how many are Third sector bodies	0
<b><u>3. Review of Regulated Procurements</u></b>	
<b><u>Compliance</u></b>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	42
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	2
<b><u>4. Community Benefit Requirements</u></b>	
<b><u>Summary</u></b>	
<b>Use of Community Benefit Requirements in Procurement:</b>	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	5 <sup>7</sup>
<b>Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:</b>	
d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	Not Recorded
e) Number of Apprenticeships Filled by Priority Groups	Not Recorded
f) Number of Work Placements for Priority Groups	Not Recorded
g) Number of Qualifications Achieved Through Training by Priority Groups	Not Recorded

<sup>7</sup> For full details on the benefits delivered, please refer to Section 3.

h) Total Value of contracts sub-contracted to SMEs	Not Recorded
i) Total Value of contracts sub-contracted to Social Enterprises	Not Recorded
j) Total Value of contracts sub-contracted to Supported Businesses	Not Recorded
k) Other community benefit(s) fulfilled	Not Recorded
<b><u>5. Fair Work and the real Living Wage</u></b>	
a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	Not Recorded
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	Not Recorded
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	3 <sup>8</sup>
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	2
<b><u>6. Payment performance</u></b>	
a) Number of valid invoices received during the reporting period.	TBC
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	TBC
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	TBC
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	TBC
<b><u>7. Supported Businesses Summary</u></b>	
a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	TBC
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	TBC

<sup>8</sup>For all Regulated Procurements, Suppliers are expected to adhere to, and adopt, the principles of Fair Work Practices, as detailed by the Scottish Government’s fair and equal pay policy which includes a commitment to supporting the Living Wage (where applicable). Although Suppliers may not be accredited by the Living Wage Foundation, they may in fact support and pay the living wage.



## 8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£54.04M
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£26.49M
c) Total procurement spend with Third sector bodies during the period covered by the report.	TBC
d) Percentage of total procurement spend through collaborative contracts.	20%
e) Total targeted cash savings for the period covered by the annual procurement report	NA
i) targeted cash savings for Cat A contracts	NA
ii) targeted cash savings for Cat B contracts	NA
iii) targeted cash savings for Cat C contracts	NA
f) Total delivered cash savings for the period covered by the annual procurement report	£1.13M
i) delivered cash savings for Cat A contracts	£219K
ii) delivered cash savings for Cat B contracts	
iii) delivered cash savings for Cat C contracts	£914K
g) Total non-cash savings value for the period covered by the annual procurement report	TBC

## Annex D: Glossary

Term	Description
<b>A, B, C and C1 Contracts</b>	<ul style="list-style-type: none"> <li>- Category A: Collaborative Contracts available to all public bodies</li> <li>- Category B: Scottish Government Collaborative Contracts available to public bodies within a specific sector (e.g. Scottish Procurement; APUC and other UK HE Consortia; Scotland Excel; NHS National Procurement)</li> <li>- Category C: Local Contracts for use by individual public bodies</li> <li>- Category C1: Local or regional collaborations between public bodies</li> </ul>
<b>Award Criteria</b>	The criteria (questions) used by the buyer to compare and score the merits of the specific bid for the contract. This must include quality and price.
<b>Category</b>	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.
<b>Category Management</b>	Category Management is a strategic approach which organises procurement resources to focus on specific areas of spends. This enables category managers to focus their time and conduct in depth market analysis to fully leverage their procurement decisions on behalf of the whole organisation. The results can be significantly greater than traditional transactional based purchasing methods. (CIPS)
<b>Centre of Expertise (CoE)</b>	Procurement organisations which promote collaboration and publish framework agreements on behalf of particular sectors i.e. Scotland Excel for local authorities (councils); Advanced Procurement for Universities and Councils (APUC) for higher and further education; NHS National Procurement (NSS) for Health; Scottish Procurement for the Scottish Government, its agencies and non-departmental public bodies
<b>Collaboration</b>	When two or more groups of people or organisations engage in procurement work together for mutual benefit
<b>Community Benefits</b>	Requirements that 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 that 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.
<b>Contract Award Notice</b>	A publication that confirms the details of a contract that has been awarded to a supplier.
<b>Contract Management</b>	The process of monitoring supplier performance on a contract.
<b>Contract Notice</b>	A publication that advertises a procurement requirement.
<b>Contract Value</b>	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value is £150k. The contract value should include any extension periods.
<b>Contracts Register</b>	This typically provides details of the procurement exercise to capture key information about the contract (the goods and services, values, date started, expiry date, procurement category etc.).
<b>Cost Avoidance</b>	The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially affects 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.
<b>Flexible Framework</b>	The Flexible Framework is a widely used self- assessment mechanism developed by the business-led Sustainable Procurement Task Force, which allows organisations to measure and monitor their progress on sustainable procurement over time.
<b>Framework Agreement</b>	An agreement or other arrangement between one or more authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
<b>GPA Thresholds</b>	The rules by which a public sector buyer runs their procurement exercise (including the procurement process used) is in part dictated by the thresholds that the GPA update every 2 years in January.
<b>Non-Regulated Procurement</b>	A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.

<b>Official Journal of the European Union (OJEU)</b>	The means by which procurement exercises over a certain value are published throughout Europe. In Scotland all procurements that are published via Public Contracts Scotland, and meet this threshold requirement, will be automatically published in OJEU within 48 hours.
<b>Output Specification</b>	The specification requirements 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.
<b>PCS-Tender</b>	An on-line e-sourcing tool which some public sector bodies in Scotland use to for their procurement exercises i.e., to publish their documents and for organisations to provide their responses in.
<b>Procurement &amp; Commercial Improvement Programme (PCIP)</b>	The Procurement & Commercial Improvement Programme replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.
<b>Procurement Division (or Function)</b>	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
<b>Procurement Exercise</b>	Full end to end procurement exercise from strategy development to contract & supplier management.
<b>Procurement Journey</b>	Public procurement website containing guidance for public sector buyers.
<b>Procurement Strategy</b>	It is mandatory for a public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
<b>Public Contracts Scotland (PCS)</b>	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
<b>Public Sector or Public Sector Body</b>	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
<b>Quotation/Quick Quote</b>	A process used by public sector buyers in Public Contracts Scotland to advertise low value/low risk procurement requirements (normally under £50k in value).
<b>Re-Let Procurement</b>	The process for re-tendering a continuing requirement.
<b>Regulated Procurement</b>	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract (Procurement reform Act Scotland)
<b>Selection Criteria</b>	Selection Criteria (questions) are used to confirm if you are capable and suitable to perform the contract if it were to be awarded to you. Selection Criteria focus on the bidder and asks for past or existing bidder information.
<b>Small Med Enterprise (SME)</b>	The category of micro, small and Med-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro. Encompass – <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- Med 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.</li> </ul>
<b>Social Enterprises</b>	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.
<b>Specification</b>	How a Procurement Officer details what is required for the procurement of the goods or services being purchased.
<b>Stakeholder</b>	Any person or group who has a vested interest in the success of the procurement activity, i.e., either provides services to it, or receives services from it.

<b>Supply Chain</b>	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
<b>Supply Chain Management</b>	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
<b>Supported Business</b>	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
<b>Sustain</b>	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
<b>Sustainable Procurement</b>	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
<b>Tender</b>	The term used to describe the procurement process of advertising, requesting and awarding a contract.
<b>Value for Money</b>	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
<b>Whole Life Costing</b>	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.