



UK | DUBAI | MALAYSIA

Annual Procurement Report 2019-20

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Responsible Office:	Procurement Services

**Heriot-Watt University
Annual Procurement Report**

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Executive Summary

Heriot-Watt is a specialist, pioneering University with a global presence, world-renowned innovative research and highly employable graduates, and a history dating back to 1821. Our vision is to be world-leading within all our areas of specialism, creating and exchanging knowledge that benefits society.

Through 'Strategy 2025', Heriot-Watt is driving forward as an international university which places students and staff at the heart of everything we do. Our strategy is to continue to build our international presence and impact through our campuses and partnerships, focusing on our strengths in learning and teaching and research.

Heriot-Watt has a reach that is truly international and we are a powerful driver of the global economy. We operate across five campuses in the UK, Middle East and South-East Asia, and have diverse communities of learners, scholars, professionals and partners from over 160 countries around the world.

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 and Colleges, which 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.

This Annual Procurement Report covers the period 1 August 2019 to 31 July 2020 and summarises the activities that have been carried out at the UK campuses in delivering the University's Procurement Strategy.

The 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 to which the University may need to adjust.

The COVID-19 pandemic presented new and unexpected challenges to the University and its suppliers in this reporting period, and therefore has affected the University's procurement activities. The impact to our national and international communities is only just being realised, and the long-term impact on businesses and their associated supply chains is unknown. The pandemic has highlighted the fragility of international supply chains and for the supply of goods this will undoubtedly result in significant changes to the locations in which they are produced, the means by which they are procured, and their underlying cost structure. It is clear that uncertainty and economic turbulence will be the norm for many months, if not years to come. Procurement Services will seek to support our stakeholders, as well as our suppliers, in all of our communities throughout this unsettled period.

The University has analysed non-pay expenditure as a result of this review and identified that, over the period covered by this report, the total non-pay procurement expenditure was £55.3M (including VAT). There were 21 regulated procurements completed at a value of £42.7M.

There was approximately 5352 suppliers across its UK campuses with whom the University did business in this reporting period. Approximately 60% of the University's expenditure is with small and medium sized


enterprises (SMEs), and 18% of the University's expenditure is considered local spend¹.

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. Procurement exercises, regulated or non-regulated, carried out by the Procurement Services division in this reporting period have contributed an estimated £2.39M of cash savings for the University, together with non-cash quality enhancements in service delivery and efficiency savings. A further £639K of cash savings (BT1) was achieved by the use of collaborative agreements.
- **Category Management** – Procurement Services has embedded a new category management approach to manage expenditure categories in a strategic and operational nature. The division has been organised to focus on specific areas of spend, enabling procurement managers to concentrate their time and conduct in-depth supply market analysis to fully leverage procurement decisions on behalf of the whole organisation. It has also enabled the division to deliver better service levels to our clients.
- **Global Procurement** - Procurement Services has been supporting procurement across all campuses to ensure that the ethos and principles of fairness, transparency, openness, economy and competition are evident and consistent throughout the University's procurement activities. Procurement Services has been heavily involved in the delivery of the new Dubai campus and developing its in-house procurement operating model. In 2020, the Procurement function was established at the campus with the hire of a Procurement Manager, who has dotted-reporting line to Procurement Services at the UK Campus. In addition, Procurement Services has been assisting the Malaysia campus with a review of its procurements practices.
- **Collaborative Spend** – The University continues to maximise its use of national and sectoral 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. £9.7M, or 29%, of the University's procurement influenceable expenditure² was routed via collaborative agreements in 2019-20.
- **Operational Procurement** – Procurement Services have been streamlining and standardising the purchase-to-pay process to reduce inefficiencies and facilitate best purchasing practice across this University. Further, the approach to communication has been reviewed and support for devolved buyers has been developed. This focus on operational procurement supports the objective of a more integrated procurement structure, which will deliver optimum value delivery across the University while managing supply side risks and opportunities. It has helped us to identify and eliminate unnecessary and duplicate spend, increase the value benefits of aggregate purchasing, and ensure compliance with procurement and financial regulations.

Report Approved: 20 November 2020

By name of authorising body: University Court

Signed responsible officer: 

Professor Richard A Williams OBE FREng FTSE FRSE

Position: Principal and Vice Chancellor

¹ Spend with suppliers within the same local authority area as our Riccarton Campus (based on Postcodes)

² Excluding capital expenditure

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 21 regulated local contracts, valued at approximately £42.7M (excluding VAT). These include EU Regulated Procurements³ or Lower Regulated Procurement⁴, 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).⁵

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

All procurements exercises at the UK campuses, regulated and non-regulated, carried out through the Procurement Services division have contributed an estimated £2.39M of cash savings for the University, together with non-cash quality enhancements in service delivery and efficiency savings. A further £639K of cash savings (BT1) was achieved by the use of collaborative agreements.

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, 15% of the value of the regulated procurements was awarded to SMEs. Of the number of regulated procurements awarded during the period, 57% 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. £9.7M, or 29%, of the University’s procurement influenceable expenditure⁶ 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
- Type of regulated procurement

⁴ Goods and services of £181,302 or Works of £4,551,413

⁴ Goods and services of £50,000 Works of £2,000,000

⁵ These figures include Regulated Procurements completed for the Dubai Campus, as does this Annual Procurement Report

⁶ Excluding capital expenditure

- Date of award
- Start dates
- End dates **disregarding any option to extend the contract.*
- End dates **including any option to extend the contract.*
- Estimated value of the contract **Total value over contract period, inclusive of possible extensions.*
- SMEs, Supported Business, Living Wage Accredited

Table 1: Number of Regulated Procurements Completed

Number of Procurements	Aug 2019 – Jul 2020
EU Regulated Procurements	9
Lower Regulated Procurements	7
Mini-Tenders from Collaborative Agreements (>£50K)	5
Total	21

Table 2: Value of Regulated Procurements Completed

Value of Procurements	Aug 2019 – Jul 2020
EU Regulated Procurements	£39,025,804
Lower Regulated Procurements	£2,647,525
Mini-Tenders from Collaborative Agreements (>£50K)	£918,802
Total	£42,654,186

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

Number of Procurements	Aug 2019 – Jul 2020
Number of Non-Regulated Procurement Projects	13
Value of Non-Regulated Procurement Projects	£1,148,206

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.

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.

Our UK procurement policies and procedures align fully with the Scottish Government Procurement Journey, Our purchasing framework, the 'Heriot-Watt University Procurement Journey', underpins our procurement processes to ensure that they are conducted in accordance with best practice and in a legally compliant manner, which are consistent with the rest of the Scottish public sector. We also embed best practice procurement across all of our global campuses, ensuring that the ethos and principles of fairness, transparency, openness, economy and competition are evident.

Procurements consults with internal and external stakeholders on a regular basis to identify opportunities for increased value for money, savings and efficiencies, as well as opportunities and risks which require procurement support. We 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.

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.

In reflection of the University's strategic priorities, as well as reviewing our procurement activities, we have identified a number of key areas for improvement in the next reporting period:

- Deliver greater savings, efficiencies and value for money by reviewing current contracts and future requirements, realising aggregation and rationalisation opportunities, and challenging demand across the University.
- Enhance our value proposition, including our service delivery, to our learning, research and professional service communities through better strategic, collaborative and operational procurement practices, becoming a true business enabler.
- Facilitate a greater number of collaborative partnerships with suppliers that deliver additional value to the University, including sustainable procurement measures and community benefits.
- Improve our approach to supply risk management, particularly around the COVID-19 and Brexit impacts and consequences.

- Support the implementation of the University's new ERP system which will significantly improve the purchase-to-pay process, supporting both the strategic and operational objectives of Procurement Services.

Please refer to Annex B for our Procurement Strategy Compliance Review.

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 awarded two contracts over the regulated community benefits threshold of £4M at the UK campus during this reporting period, of which the benefits are currently being delivered.

Further community benefits are being delivered by regulated procurements valued at below the £4M regulated threshold as well.

Category	Supplier Name	Contract Award	Contract Start Date	Contract End Date	Estimated Value (£)	Benefit
Main Contractor: National Robotarium	Robertson Construction Group	20/02/2020	01/06/2020	31/05/2022	£12,356,309	Minimum of 2 internship placements and 2 graduate employment opportunities; 1 new recruit apprenticeship; minimum 15 work placements and 8 jobs created; 5 new employment opportunities; Youth and School Engagement via 10 engagement activities, 6 events and 6 site visits;

						Toolbox talk on equality / diversity. Minimum of 1 event aimed at promoting equality; Hold Meet the Buyer Event,
Main Contractor: Dubai Campus	Khansaheb Civil Engineering	06/05/2020	06/05/2020	31/01/2021	£14,062,298	Health and wellbeing programme for Employees; Graduate training scheme and team of young people taking their first professional steps with Khansaheb; Working with Absher Initiative to encourage UAE nationals into the workforce and build the skills of the UAE.

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 one contract to a Supported Business.

In 2020-21, the University's aim is to ensure that we work with Contractors to facilitate opportunities for supported businesses and third sector organisations where possible.

Category	Supplier Name	Contract Award	Contract Start Date	Contract End Date	Estimated Value (£)
Supply and Delivery of Mattresses	City Building	29/06/2020	29/06/2020	30/06/2021	£23,000

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 details of actual requirements, particularly with the current financial and operational challenges of the COVID-19 pandemic. It has undoubtedly changed the priorities and needs of the University, which have impacted, and will impact, our planned procurements. As such, over a forecast period of two years, it is probable that circumstances and priorities will change so the list of projected regulated procurement exercises (including the route to market) 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.*

Annex A: Regulated Procurement 1 August 2019 – 31 July 2020

Category	Supplier	Owner	Type	Contract Award	Contract Start Date	Contract End Date excl extensions	Contract End Date incl extensions	Estimated Value over contract period (£)	SME Status	Supported (Y/N)	Living Wage Accred (Y/N) ⁷	Scottish Business Pledge (Y/N)
Masterplan Consultancy	Hawkins Brown Architects LLP	C	Lower Regulated	14/08/2019	19/08/2019	18/11/2019	18/11/2019	64,875	Medium	No	Yes	No
Brand and Creative Services	Tangent Graphic	C	Lower Regulated	19/08/2019	19/08/2019	18/08/2021	19/08/2022	164,890	Small	No	No	No
Business Development Training Provider	Entrepreneur Business School Limited	C	Lower Regulated	30/08/2019	30/08/2019	29/08/2021	30/08/2021	149,250	Small	No	No	No
Staff Engagement Survey	BMG Research Limited	C	Lower Regulated	02/09/2019	02/09/2019	02/09/2022	02/09/2023	54,115	Medium	No	No	No
Sandwiches and Associated Products	PJS Foods	B	Call-Off Contract	04/12/2019	06/01/2020	05/01/2021	30/06/2021	148,000	Small	No	No	No
Fresh Fruit & Vegetables	Total Produce Ltd	B	Call-Off Contract	05/12/2019	05/12/2019	04/12/2020	04/12/2023	524,000	Large	No	No	No
Femtosecond Parametric Oscillator	Chromacity	B	Call-Off Contract	10/12/2019	12/12/2019	12/12/2020	12/12/2020	80,100	Small	No	No	No
External Audit Services	Ernst & Young	C	EU Regulated	18/12/2019	01/01/2020	31/12/2022	31/12/2024	485,000	Large	No	No	Yes
Main Contractor: National Robotarium	Robertson Construction Group	C	EU Regulated	20/02/2020	01/06/2020	31/05/2022	31/05/2022	12,356,309	Large	No	Yes	No
Cloud ERP Software Implementation Services	Oracle Consulting	C	EU Regulated	27/02/2020	01/03/2020	31/12/2021	31/12/2021	2,380,000	Large	No	No	No
Oriam Clothing	FN Teamwear	C	Lower Regulated	02/03/2020	02/03/2020	01/03/2024	01/03/2026	66,925	Small	No	No	No
Windows Replacement Works	Clark Contracts	C	Lower Regulated	08/04/2020	08/04/2020	07/08/2021	07/08/2021	2,044,470	Medium	No	No	No
Virtual Learning Environment Platform Subscription	Instructure Global	C	EU Regulated	22/04/2020	01/07/2020	30/06/2023	30/03/2029	559,105	Large	No	No	No
Main Contractor: Dubai Campus *	Khansaheb Civil Engineering	C	EU Regulated	06/05/2020	06/05/2020	31/01/2021	31/01/2021	14,062,298.	Large	No	No	No

⁷ 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.

Liquid Chromatography Mass Spectrometer	Shimadzu UK Limited	B	Call-Off Contract	21/05/2020	21/05/2020	30/09/2020	30/09/2020	104,648	Medium	No	No	No
Fresh Fish and Seafood	P.M. Ranaldi	C	Lower Regulated	12/06/2020	15/06/2020	14/06/2023	14/06/2025	103,000	Micro	No	No	No
ePortfolio - Folio Management Software Tool	Instructure Global Ltd.	A	Call-Off Contract	19/06/2020	01/09/2020	31/08/2021	31/08/2021	62,054.00	Yes	No	No	No
Global Curriculum Management Software Solution	Akari Software Limited	C	EU Regulated	20/07/2020	01/08/2020	31/12/2025	31/12/2025	412,015	Small	No	No	No
IT & AV Integrator Contractor: Dubai Campus *	CDW Limited	C	EU Regulated	22/07/2020	27/07/2020	31/12/2023	31/12/2025	3,380,934	Large	No	No	No
Supply, Delivery & Installation of Furniture: HWU Dubai * ⁸	Total Office Ltd	C	EU Regulated	17/08/2020	17/08/2020	31/12/2021	31/12/2023	2,960,569	Small	No	No	No
Cloud ERP Software Licencing	Oracle Corporation UK	C	EU Regulated	01/03/3030	26/11/2019	25/11/2024	25/11/2029	2,429,574	Large	No	No	No

**Regulated Procurement for the new Dubai Campus.*

⁸ Following the Award of the Contract, Heriot-Watt University took the decision to assign the rights and obligations of the contract to the Main Contractor of the Dubai Campus.

Annex B: Commentary on Strategy Delivery and Compliance

Objective	Commentary on Strategy Delivery and Compliance
<p>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.</p>	<p>The Procurement Services division 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"> - 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; - Using the procurement journey as a means to achieve best value for money; - Support initiatives that reduce costs and drive efficiencies across the University; - Fostering partner relationships with suppliers to enhance research activities and the student and staff experience; - Seeking innovative procurement solutions that will build flexibility and sustainability into our business activities; - Supporting the delivery of a the University's infrastructure programme to improve quality of experience for the academic, student and staff communities alike; - Encouraging participation by local businesses through direct engagement, advertising opportunities on the relevant e-portals, and where appropriate lotting requirements; - Using the procurement journey as a means to achieve best value for money and to support initiatives to reduce costs across the University. <p>In addition, Procurement Services works closely with colleagues across the University to:</p> <ul style="list-style-type: none"> - Streamline and standardise the purchase-to-pay process to reduce inefficiencies and facilitate best purchasing practice; - 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; - Provide budget support based on contracted pricing and associated timescales; - Review and approve all new supplier requests to prevent off-contract spend, ensure compliance with procurement regulations, and minimise the potential for fraud. <p>The University is currently reviewing the purchasing activities and services provided to our Academic communities with the aim of achieving optimum value delivery across the University while managing supply side risks and opportunities. The objective is to implement a more connected and integrated procurement structure across the University. As such, devolved purchasing operations are currently being assessed.</p> <p>In this reporting period, Procurement Services has carried out consultation sessions with the Academic Schools and Professional Services Directorates across the University. A number of internal processes and communication methods have been identified as needing improved to support operational purchasing across the University, which Procurement Services have been developing. Procurement Services will continue regular consultation with all stakeholders across the University.</p> <p>The University has also been using this engagement method to not only plan our tender activity and ensure legislative compliance, but to also take advantage of opportunities to consolidate requirements, collaborate and increase value for money and efficiencies.</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.</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, customers and suppliers alike, and ensures that best practice is adopted and consistent methodology is applied across the University's procurement activities and is in line with the public sector.</p>

	<p>The University procured an upgrade of its Enterprise Resource Planning (ERP) solution during this reporting period, and Procurement Services is now supporting its implementation. The ERP solution will enhance the purchase-to-pay process, facilitating better purchasing practices across the University. If implemented successfully, it will reduce financial and reputational risk, and decrease maverick spend.</p>
<p>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.</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 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. 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>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 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 records savings, benefits and efficiencies calculated according to agreed sector and national criteria. Procurement Services also collate efficiencies delivered throughout the University for the Scottish Funding Council's Institutional Efficiency Return.</p> <p>Procurement Services is managed through a professionally-qualified procurement team with access to procurement training, skills development programmes and career development opportunities. The procurement team regularly attend available training to further develop or refresh skills. Staff are encouraged to complete formal education and continuous professional development. Annual performance development reviews of the individual staff members are undertaken to ensure best outputs and to address any development gaps.</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>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.</p>	<p>Procurement Services has embed a new category management approach to develop and manage expenditure categories in a strategic and operational nature. The team has been 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 whole 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>The University obtains regular input /feedback from current, and potential, suppliers, as well as engaging with suppliers at regional and national events (e.g. COUP, HEPA, Procurex).</p> <p>All of the University's regulated procurement contracts are subject to a risk review with details held on a procurement risk register. In 2019-20, with the support of APUC, two separate reviews were carried out to reflect the uncertainties posed by Brexit and the COVID-19 pandemic. Initial assessment of the potential impacts on contracts was completed, and along with mitigating actions, this has been shared with the University's Assurance Services team. The University will continue to monitor the impact of Brexit and COVID-19 over the coming months and take mitigating action where possible.</p>
<p>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.</p>	<p>Procedures are in place to ensure that consideration of environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning stage utilising tools including Prioritisation, Flexible Framework and APUC's Supply Chain Code of Conduct.</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 high ethical standards and values in the conduct of their business. The University is committed to contracting only with suppliers that comply with all appropriate and 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 tenderers comply with it e.g. Health and Safety, Late Payment legislation.</p> <p>Where relevant and proportionate the Living Wage and fair work practices of suppliers are promoted in tender documentation</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 & safety, fair work practices, government buying standards, etc.) The Procurement Services division 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>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's tender documentation and supplier declaration include Modern Slavery, Bribery, IR35 and GDPR, and that they are in line with our ethical stance on these issues. Our documentation is reviewed and updated on a regular basis.</p> <p>Procurement staff are trained on the principles of sustainable procurement.</p>

The following contracts were awarded without competitive action:

Supplier	Contract Start Date	Contract End Date	Estimated Value (£)	Compliance Issue	Proposed Solution
Geckolabs	07/11/2019	07/10/2023	60,000	<p>The appointment was to support the University's student engagement activities.</p> <p>It was determined that this is the only solution in the supply market that could deliver the necessary combination of functionality in a single, mobile-ready solution. As such, a direct award supported and approved.</p>	Market research will continued 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.
M Squared Lasers	17/12/2019	18/12/2020	207,500	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification, as it is the only system that offers automated, hands free operation over the wavelength regions required. It has a patented and scanning circuit which maintains a narrow linewidth and therefor a high stability of the system and a faster switching time between wavelengths when compared to other systems. There is also a patent covering the apparatus for mounting optical components. As such, a direct award supported and approved.</p>	Market research will continued 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.
KC Denmark	20/12/2019	19/12/2020	83,302	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification. As such, a direct award supported and approved.</p>	Market research will continued 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.
Ocean Imaging Systems	20/12/2019	19/12/2020	98,000	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification. As such, a direct award supported and approved.</p>	Market research will continued 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.
Coherent	21/01/2020	20/01/2021	69,040	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only system that can provide the required output power. The specification of critical to the experiences for the Quantum Imaging Hub, and it. As such, a direct award supported and approved.</p>	

GTI Media	28/01/2020	31/07/2021	99,995	<p>The procurement was a one-year extension of the current GTI Media platform.</p> <p>With the appointment of a Head of Careers and Graduate Futures, a needs analysis of the service and wider university was necessary to ensure a new platform would meet our requirements, including the potential for sharing job vacancies with the other three Edinburgh universities. Given the short timeframe between the appointment and the current contract coming to an end, it did not provide sufficient time to undertake the analysis to support a wider procurement in the marketplace. The additional year would allow for this work to be undertaken. As such, a direct award supported and approved.</p>	Market research will continued 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.
CEM Microwave Technology	16/03/2020	15/03/2021	70,000	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only supplier of the consumable vials that are compatible with a piece of research lab equipment. As such, a direct award supported and approved.</p>	Market research will continued 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.
Photonic Solutions	19/03/2020	18/03/2021	70,000	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification. This laser system is the only commercial systems that provide the deep ultraviolet wavelength, pulse duration and pulse energy required. There are additional unique features. As such, a direct award supported and approved.</p>	Market research will continued 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.
Civic Digits CIC	16/04/2020	15/04/2021	224,800	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>This consultancy services was named on the initial grant funding application, who the grant funder agreed to compensate. As such, a direct award supported and approved.</p>	Market research will continued 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.
Haption	10/07/2020	18/07/2021	60,000	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification. This is a specialized haptic robot that can provide 6 degrees of freedom haptic feedback in a large workspace typical of a robotic manipulator. As such, a direct award supported and approved.</p>	Market research will continued 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.

Quantum Opus	04/12/2020	03/12/2021	100,000	<p>The appointment was to support the University's ongoing strategy to develop its research activities.</p> <p>It was determined that this is the only piece of equipment with the required specification. As such, a direct award supported and approved.</p>	<p>Market research will continued 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>
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Annex C: Future Regulated Procurements

As highlighted within Section 5, in preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about details of actual requirements, particularly with the current financial and operational challenges of the COVID-19 pandemic. It has undoubtedly changed the priorities and needs of the University, which have impacted, and will impact, our planned procurements. As such, over a forecast period of two years, it is probable that circumstances and priorities will change so the list of projected regulated procurement exercises (including the route to market) outlined in Annex C should be viewed with this caveat in mind.

Category Subject	New, Extended or Re-Let procurement	Type	Approximate Tendering Start Date	Expected Date of Award	Expected Contract Start Date	Expected Contract End Date (incl extensions)	Estimated Value over contract period (£)
Air Conditioning Maintenance and Reactive Works	New	C	May-21	Jul-21	Jul-21	Jul-25	TBC
CCTV Software System including Maintenance	Re-Let	C	Jan-21	April-20	Apr-20	Mar-25	400,000
Childcare Vouchers Scheme	New	B	TBC	TBC	TBC	TBC	TBC
Cleaning Materials and Disposable Paper Products	Re-Let	B	Mar-21	May-22	Jun-22	Jun-25	460,000
Confidential Disposal of Paper & IT Waste	Re-Let	B	Feb-21	Apr-21	May- 21	May-25	50,000
Corporate Banking Services	Re-Let	C	Jan-22	May-22	Aug-22	July-27	TBC
CRM System	Re-Let	C	TBC	TBC	TBC	TBC	475,000
EBS Bistro Catering	Re-Let	C	TBC	TBC	TBC	TBC	TBC
Education Recruitment Advertising & Resourcing Services	Re-Let	B	TBC	TBC	TBC	TBC	300,000
EPOS System	Re-Let	B	Sept-21	Dec-21	Jan-22	Jan-26	80,000
Fire Fighting Equipment Maintenance Services	New	B	Mar-21	May-21	Jun-21	Jun-25	128,000
Fixed Network (Interim Contract)	Re-Let	A	Aug-19	Aug-19	Sept-19	Aug-20	70,000
Fixed Network	New	C	May-21	June-21	Aug-21	Jun-26	345,000
Gas Boiler Maintenance & Heating Services	New	C	Apr-21	Jun-21	Jul-21	Jul-25	360,000
Graduation Photography Services	Re-Let	C	Jan-20	Apr-20	Apr-20	Apr-24	(rebate)
Group Insurance Cover & Services	Re-Let	C	Mar-21	Jun-21	Aug-21	Jun-26	250,000
Identity Management System	Re-Let	C	Apr-21	Jul-21	Oct-21	Sept-25	320,000
Laser Optical Consumables	Re-Let	B	Jan-21	Apr-21	May-21	Nov-24	750,000
Legal Services	Re-Let	C	Jan-20	Apr-20	May-20	Apr-25	600,000
Library Security & Reception Services	Re-Let	C	TBC	TBC	TBC	TBC	320,000

Lift Maintenance	New	B	Feb-21	Apr-21	May-21	May-26	100,000
Media Buy (Interim Contract)	Re-Let	A	Aug-19	Sept-19	Oct-19	Mar-20	75,000
Media Buy	Re-Let	A	Nov-19	Feb-20	Mar-20	Feb-23	300,000
Media Monitoring	Re-Let	B	Jan-20	Mar-20	Apr-20	Mar-23	56,000
Minor Works Framework Agreement	New	C1	Apr-19	Feb-21	Mar-21	Feb-25	4,800,000
Mobile Phones	Re-Let	A	TBC	TBC	TBC	TBC	200,000
Multi-Functional Devices	Re-Let	B	Jan-22	May-22	Jun-22	Jul-27	725,000
National Robotarium: Furniture	New	B	Aug-20	Oct-20	Oct-20	Feb-22	300,000
Occupational Health Services	New	B	TBC	TBC	TBC	TBC	TBC
Office 365 Licences	Re-Let	B	Oct-20	Nov-20	Nov-20	Nov-23	750,000
Oriam Grounds Maintenance Equipment	Re-Let	C	Apr-21	Jun-21	Jul-21	Jun-24	50,000
Pest Control Services	New	C	Nov-20	Feb-21	Mar-21	Mar-24	400,000
Print Books and Standing Orders	Re-Let	B	Sept-21	Nov-021	Dec-21	Nov-25	510,000
Professional Design Team Services Framework Agreement	New	C1	Apr-19	Feb-21	Mar-21	Feb-25	3,000,000
Property Agent	Re-Let	C	TBC	TBC	TBC	TBC	TBC
Public Affairs and Strategic Project Consultancy Framework Agreement	Re-Let	C	TBC	TBC	TBC	TBC	250,000
Public Relations	Re-Let	C	TBC	TBC	TBC	TBC	72,000
Research Management & Administration System	Re-Let	C	TBC	TBC	TBC	TBC	TBC
Server Cloud	New	C	TBC	TBC	TBC	TBC	340,000
Student Services Portal	Re-Let	C	July-21	Oct-21	Jan-22	Jan-27	340,000
Taxi Hire	New	C	Jun-21	Sep-21	Sep-21	Sep-24	50,000
Teaching Aid Consumables, Installation and Maintenance of Teaching Boards	Re-Let	C	Jul-21	Oct-21	Oct-21	Oct-25	60,000
Temporary and Interim Staff Framework Agreement	Re-Let	B	Nov-20	Feb-21	Apr-21	Apr-24	4,350,000
Travel Services	Re-Let	B	Jan-21	May-20	Jul-21	Apr-24	6,800,000
Waste Management	Re-Let	B	Oct-20	Nov-20	Mar-21	Feb-26	800,000
Water Hygiene Maintenance Services (Interim Contract)	New	B	Sep-20	Sep-20	Sep-20	Sep-21	95,000
Water Hygiene Maintenance Services	Re-Let	B	Aug-21	Sep-21	Sep-21	Sep-24	285,000
Wireless Network	New	C	TBC	TBC	TBC	TBC	284,000

Annex D: Scottish Government Report

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

1. Organisation and report details

a) Contracting Authority Name

Heriot-Watt University

b) Period of the annual procurement report

2019-20

c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period

21

b) Total value of regulated contracts awarded within the report period

£42,654,186.03

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

20

i) how many of these unique suppliers are SMEs

12

ii) how many of these unique suppliers how many are Third sector bodies

0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

21

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

11 *Non-Competitive Action

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total number of regulated contracts awarded with a value of £4 million or greater.

2

b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.

2

c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements

0

Annex A

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

- d) Number of Jobs Filled by Priority Groups (*Each contracting authority sets its own priority groups*)
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

Not Recorded
Not Recorded
Not Recorded
Not Recorded
Not Recorded
Not Recorded
Not Recorded
Not Recorded

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.
- 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.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.
- d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.

Not Recorded
Not Recorded
2
1

6. Payment performance

- a) Number of valid invoices received during the reporting period.
- b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)

38,871
>90%

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains. 1

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts. 0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period 1

b) Total spend with supported businesses during the period covered by the report, including:

i) spend within the reporting year on regulated contracts 0

ii) spend within the reporting year on non-regulated contracts £23,000

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report. £55,324,693

b) Total procurement spend with SMEs during the period covered by the annual procurement report. £33,194,815

c) Total procurement spend with Third sector bodies during the period covered by the report. Not Recorded

d) Percentage of total procurement spend through collaborative contracts. 29%

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

i) delivered cash savings for Cat A contracts £629,225

ii) delivered cash savings for Cat B contracts

iii) delivered cash savings for Cat C contracts £2,397,055

g) Total non-cash savings value for the period covered by the annual procurement report £3,029,000

Annex D: Glossary

Term	Description
A, B, C and C1 Contracts	<ul style="list-style-type: none"> - Category A: Collaborative Contracts available to all public bodies - 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) - Category C: Local Contracts for use by individual public bodies - Category C1: Local or regional collaborations between public bodies
Award Criteria	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.
Category	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.
Category Management	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)
Centre of Expertise (CoE)	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
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit
Community Benefits	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.
Contract Award Notice	A publication that confirms the details of a contract that has been awarded to a supplier.
Contract Management	The process of monitoring supplier performance on a contract.
Contract Notice	A publication that advertises a procurement requirement.
Contract Value	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.
Contracts Register	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.).
Cost Avoidance	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.
EU Thresholds	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 EU update every 2 years in January.
Flexible Framework	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.
Framework Agreement	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.
Non Regulated Procurement	A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.

Official Journal of the European Union (OJEU)	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.
Output Specification	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.
PCS-Tender	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.
Procurement & Commercial Improvement Programme (PCIP)	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.
Procurement Division (or Function)	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.
Procurement Exercise	Full end to end procurement exercise from strategy development to contract & supplier management.
Procurement Journey	Public procurement website containing guidance for public sector buyers.
Procurement Strategy	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.
Public Contracts Scotland (PCS)	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
Public Sector or Public Sector Body	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
Quotation/Quick Quote	A process used by public sector buyers in Public Contracts Scotland to advertise low value/low risk procurement requirements (normally under £50k in value).
Regulated Procurement	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)
Selection Criteria	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.
Small Medium Enterprise (SME)	The category of micro, small and medium-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"> - Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million. - Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million. - Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.
Social Enterprises	Revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.
Specification	How a Procurement Officer details what is required for the procurement of the goods or services being purchased.
Stakeholder	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.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supply Chain Management	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.
Supported Business	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.
Sustain	The APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain
Sustainable Procurement	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not
Tender	The term used to describe the procurement process of advertising, requesting and awarding a contract.
Value for Money	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.
Warp It	Warp It is a customisable online peer to peer redistribution network for organisations. Warp It makes it very easy for individuals in an organisation to share or give surplus items to individuals inside the same organisation in the first instance.
Whole Life Costing	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.

