



Procurement Annual Report

Financial year 2018-19

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1 Foreword

We are pleased to present SQA's Procurement Annual Report. The intention of this report is to set out the work and the contribution made by the department over the financial year April 2018 to March 2019, to comply with the Procurement Reform (Scotland) Act 2014 Part 2 section 18, whereby a contracting authority is required to publish an annual procurement report in a transparent and proportionate manner.

This annual report shows that the Procurement department made a contribution of approximately £1m in savings across all directorates; this is equivalent to five times the cost of the function to SQA. The collaborative savings made by using Scottish Procurement's frameworks was in the region of £1m equating to £2m savings.

Savings were achieved by working closely with the business and suppliers to understand the whole life cost of the product/services, innovations and process improvements. This allowed for efficiencies to be identified which informed delivery and pricing methodology. The Procurement Team keenly negotiated pricing to ensure SQA received the optimum price and minimised any price increases to below inflation rates.

The procurement team plays a vital role in providing expertise to ensure SQA achieves the best value for goods and/or services delivered through third-party contracts. The team works closely with colleagues across the directorates, Procurement Scotland and Crown Commercial Services to ensure contract delivery, value for money and innovation, while ensuring legal and commercial governance have been adhered to.

The procurement team aims to ensure social value commitments and SQA's wider objectives are built into the tendering process and contract awarding, and to work with the business to drive improvements throughout the life of the contracts.

Appendix 1 provides a summary of the reportable criteria as per Section 18 of the Procurement Reform (Scotland) Act 2014.

2 Background

During the last year the Procurement Team has been engaged more closely with the business for the unregulated Procurements (sub £50k). This engagement has allowed for an increased visibility of expenditure across the Business and improved savings and increase procurements profile.

In 2018-19, SQA spent was £24.7m on goods and services with more than 465 suppliers, with approximately 92% of these suppliers being SMEs or local to SQA.

Appendix 2 provides a breakdown of spend in excess of £50,000, by supplier.

3 Objectives

The key objectives identified and measured for this period included:

- Publication and update of the list of current contracts on SQA's external website.
 - Delivery of procurement savings.
 - Promotion of delivery of SQA's and Scottish Government's CSR values.
 - Support for SQA's income generation opportunities.
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- Programme of tendering to support SQA delivery.

All objectives identified above have been completed/implemented.

4 Achieving the best value for money

Collaboration

SQA actively collaborates with Scottish Procurement and Crown Commercial Services to ensure best value for SQA and maximise economies of scale. Some 41% of discretionary spend is accounted for by collaborative contracts. The procurement team is actively involved with user intelligence groups and steering groups which help shape the way of procurement within Scotland.

Contract management

SQA recognises the importance of contract management, and prioritises contracts at a low, medium or high level of importance. The day-to-day running of the contracts is managed by the end user, with procurement being involved with those contracts identified as of high importance.

Savings

The reported savings for the period were in excess of £2m which is inclusive of SQA's contributed savings and Procurement Scotland's reported savings.

A further £672k of cost avoidance savings across SQA was reported via the Benefits Realisation Group.

Skills and training

The team includes two fully qualified and one part qualified MCIPS staff members.

During this period, the Procurement Team has undertaken the Contract Management training modules developed by Scottish Procurement to enhance their skills

5 Responsible Business

SQA is committed to working with supported businesses and SMEs and promotes engagement with SMEs and local suppliers. The policy allows SQA to carry out quick quotes to nominated suppliers up to the value of £50k, which allows SQA to develop strategies to support local companies.

During the period 2018–19 SQA awarded three contracts to supported businesses.

SQA proactively encourage their suppliers to pay living wage and all service contracts include payment of the living wage as a term of the contract.

SQA as an organisation is fully committed to being a Responsible Business.

6 Transparency

Contracts awarded by procedure

During 2018-19, 59 contracts were tendered/awarded.

Procedure	No of Contracts	Estimated Contract Value
Regulated Contracts	32	£9.6m
Unregulated Contracts	21	£670k
Non Competitive Action (NCA)*	6	£78K

*NCA breakdown:

- Four suppliers were sole suppliers within the market place.
- Two suppliers are to service International Suppliers.

Compliance

During the period of 2018-19:

- 100% of the contracts awarded were compliant with regulations.
- 99% of the contracts awarded followed SQA's policy and procedures. The 1% which did not follow the correct policy, were compliant with regulations but did not follow SQA's process. The Procurement Team has been working with all the departments to improve customer engagement. This includes the Procurement Policy and Procedures forming part of the new start induction pack to all new starts.

Breakdown of spend

Appendix 3 details spend by top ten suppliers and business areas.

Fraud

There was no fraudulent activity reported during the period of April 2018 until March 2019.

7 Conclusion

This report demonstrates the continued positive impact made by the Procurement department in the delivery of SQA's objectives. It details the journey through the period and highlights the procurement team's success and initiatives. This has been recognised by a positive audit report by SQA's internal auditor, Scott-Moncrieff and the Scottish Government's Procurement and Commercial Improvement Programme grading, where the team maintained the top level banding (M1) status.

1. Organisation and report details

a) Contracting Authority Name

Scottish
Qualification
Authority

b) Period of the annual procurement Report

4 April 2018
- 3 April
2019

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

22

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

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

22

i) how many of these unique suppliers are SMEs

20

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

2

3. Review of Regulated Procurements Compliance

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

22

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

0

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

0

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

0

c) Benefit Requirements

0

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

-

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	7
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	7
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	20
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	5541
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms)	99.03%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	0
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	2
b) Total spend with supported businesses during the period covered by the report, including:	£13,996.00
i) spend within the reporting year on regulated contracts	£13,096.00
ii) spend within the reporting year on non-regulated contracts	0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£24,732,054
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£11,581,115
c) Total procurement spend with Third sector bodies during the period covered by the report.	£13,321
d) Percentage of total procurement spend through collaborative contracts.	£10,140,142
e) Total targeted cash savings for the period covered by the annual procurement report	
i) targeted cash savings for Cat A contracts	£950K
ii) targeted cash savings for Cat B contracts	£0
iii) targeted cash savings for Cat C contracts	£850K
f) Total delivered cash savings for the period covered by the annual procurement report	£2,025,056
i) delivered cash savings for Cat A contracts	£1,001,508
ii) delivered cash savings for Cat B contracts	£0
iii) delivered cash savings for Cat C contracts	£1,023,548

g) Total non-cash savings value for the period covered by the annual procurement report

£652,000

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years

36

b) Total estimated value of regulated procurements expected to commence in the next two financial years

£10.5M

Appendix 2

SUPPLIER	AMOUNT PD
CORPORATE TRAVEL MANAGEMENT (NORTH OF ENGLAND) LIMITED	£2,190,239
AGILISYS LIMITED	£1,989,896
EXECSPACE LTD	£1,661,387
R M EDUCATION PLC	£1,580,110
PERTEMPS LTD	£1,363,528
CAPITA BUSINESS SERVICES LTD	£1,125,004
RAWI & CO ASSOCIATES LTD	£1,038,065
SPECIALIST COMPUTER CENTRES PLC	£778,817
ACTIAN EUROPE LIMITED	£661,477
ROYAL MAIL	£565,731
ALBACORE	£517,433
PARCELFORCE	£477,554
FUJITSU SERVICES	£436,741
BTL GROUP LTD	£373,800
HP INC UK LIMITED	£339,940
BRODIES LLP FAO RAMSAY HALL	£337,768
GS Sundry Supplier	£283,889
ATOS IT SERVICES UK LTD	£249,907
HARVEY NASH PLC	£248,739
PARITY RESOURCES LIMITED	£240,110
CIVIC COMPUTING	£221,625
PAGE BROS	£204,934
ASHBROOK RESEARCH & CONSULTANCY	£203,820
SPRING TECHNOLOGY STAFFING SERVICES	£200,369
FES FM LTD	£188,961
ABSOFT LIMITED	£187,443
EVERYTHING EVERYWHERE LTD	£183,029
HOGG ROBINSON TRAVEL LIMITED T/A HRG UK	£182,210
APAM LTD	£161,496
STORM ID LTD	£160,773
SAS SOFTWARE LTD	£158,723
PULSANT (SOUTH GYLE) LIMITED	£153,851
STORY UK LTD	£152,741
ADARE SEC LIMITED	£149,823
COMPAREX UK LTD	£146,297
XEROX FINANCE LTD	£144,095
CLYDE PAPER AND PRINT	£140,649
IAN DICKSON TRAVEL SERVICE	£139,971
EGTON MEDICAL INFORMATION SERVICES	£114,963
EDF ENERGY LIMITED	£114,071

SUPPLIER	AMOUNT PD
ROCKET EXHIBITIONS & EVENTS LTD	£107,271
MITIE SECURITY LTD	£105,453
SCOTT-MONCRIEFF	£104,716
TIBCO SOFTWARE (IRE) LTD	£99,934
THE UNION ADVERTISING AGENCY LTD	£90,808
CITY SPRINT	£88,795
KORN FERRY HAY GROUP LIMITED	£86,916
PORTICO CONSULTING LIMITED	£86,458
J THOMSON COLOUR PRINTERS LTD	£83,583
CHINA-BRITAIN BUSINESS COUNCIL	£80,425
XEROX(UK) LTD	£73,950
HIGHPOINT IMPLEMENTATION & TRAINING	£71,482
ENTERPRISE RENT A CAR	£70,737
TMP UK LIMITED	£70,379
EDGE TESTING SOLUTIONS	£64,281
ABELLIO SCOTRAIL LTD	£63,201
SENATOR INTERNATIONAL LTD	£59,904
ALLANDER PRINT LTD	£59,490
COMPUTACENTRE UK LTD	£59,310
IVANTI UK LIMITED	£59,145
INITIAL PACKAGING LTD	£58,987
PROVISTA UK LTD.	£57,916
NCC GROUP	£57,575
EAGLE COURIERS (SCOTLAND) LTD	£56,815
MIRAGE TELEVISION PRODUCTIONS	£51,050
DISCLOSURE SCOTLAND	£50,751
EXPERIS LTD	£50,127

