



# **Procurement Annual Report**

## **Financial year 2022–23**

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# SQA Procurement Annual Report

## 1 Introduction

The Scottish Qualifications Authority (SQA) is an executive non-departmental public body (NDPB) sponsored by the Scottish Government's Learning Directorate and is the national accreditation and awarding body in Scotland. SQA helps people to realise their potential and to achieve their ambitions by providing a wide range of high quality, internationally recognised qualifications and associated services.

We work with schools, colleges, universities and training organisations to develop and deliver our qualifications and assessments.

## 2 Summary

We are pleased to present the SQA Procurement Annual Report for 2022–23 which sets out the work and the contribution made by the Procurement Team over the financial year and meets our obligations under the Procurement Reform (Scotland) Act 2014, part 2, section 18, to publish an annual procurement report in a transparent and proportionate manner.

This annual report demonstrates that the Procurement Team contributed to approximately £2.112m in savings across all directorates, this is equivalent to five times the cost of the procurement function to SQA. This figure includes all collaborative savings made by SQA by utilising public sector frameworks in accordance with best practice.

Savings were achieved by working closely with all areas of SQA and suppliers to understand whole-life cost of the products or services, innovations, and process improvements. The Procurement Team keenly negotiated pricing to ensure SQA received the optimum price and minimised any price increases to below inflation rates, where at all possible.

The Procurement Team is vital in providing a professional service to ensure SQA achieves the best value for goods and/or services delivered through third-party contracts. The team works closely with colleagues and stakeholders across all 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 ensures social value commitments and fair work practices are embedded within the tendering process and contract awarding, and works with the business to drive improvements throughout the life of the contracts to maintain the integrity of SQA and uphold its interests.

### 3 Background

During 2022–23, the Procurement Team worked closely with SQA colleagues to service their requirements. The tender pipeline was developed and shared with each business area to allow for better visibility of the tenders and process to ensure effective planning, and the availability of appropriate resources to meet operational requirements. This approach has improved the engagement between the Procurement Team and each business area and removed risks of missing key dates.

In 2022–23, SQA spent £22,792,189.51 on goods and services, with 386 suppliers.

Directorate spend is detailed in table 1 below.

*Table 1: Spend by directorate in 2022–23*

Directorate	% Figure	Spend
Business Systems	48.18	£10,982,006.24
Operations	28.51	£6,497,616.70
People	17.43	£3,972,835.29
Finance and Corporate Services	2.22	£505,413.90
Communications	1.30	£297,223.43
Policy, Analysis and Standards	1.00	£229,878.84
Business Development	0.58	£132,977.56
Qualifications Development	0.57	£129,671.56
Corporate Office	0.20	£44,395.18
Accreditation	0.001	£170.81
		£22,792,189.51

Appendix 1 provides a breakdown of spend by supplier where the total spend is more than £50,000.

### 4 Objectives

The key objectives identified and measured for this period included:

- ◆ publishing and updating the list of current contracts on SQA’s external website
- ◆ delivering procurement savings
- ◆ promoting the delivery of SQA’s and the Scottish Government’s fair work practice
- ◆ supporting SQA’s income generation opportunities
- ◆ a programme of tendering to support SQA delivery
- ◆ implementing structured stakeholder engagement meetings

All objectives identified above have been completed or implemented.

# 5 Achieving the best value for money

## 5.1 Collaboration

SQA actively collaborates with Scottish Procurement and Crown Commercial Services to ensure best value for SQA and to maximise economies of scale. Some 54% 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 future of procurement within Scotland.

Examples of using Scottish Government and Crown Commercial Services frameworks are below:

- 1) SQA migrating to the Scottish Government Framework for Mobile Voice and Data Services. SQA were able to achieve savings of £168k over the 2-year period of the framework, with some of the savings from year 1 being used to purchase new mobile phones (spend to save initiative).
- 2) Using the G Cloud framework to engage directly with Microsoft for Unified Microsoft support and maximise SQA's Education discount. The cost for 1 year should have been £311k but SQA's discounted price was £33k, resulting in a cost avoidance of £278k.

## 5.2 Contract management

SQA recognises the importance of contract management and prioritises individual contracts in line with their strategic importance. The end users manage the day-to-day oversight and operation of the contracts, with the Procurement Team being involved with those contracts identified as of high strategic importance.

Dedicated vendor managers are embedded within Business Systems and work closely with the purchasing manager in the Procurement Team responsible for the business area, which enhances the engagement between Business Systems and the Procurement Team. The Procurement Team highlights any supplier issues and discusses upcoming contracts and the performance of current contracts. SQA is therefore able to 'work as one' when dealing with supplier and contractual issues, including any disputes. This approach also supports engagement with technical colleagues in Business Systems as the Business Systems vendor managers can often act as a bridge between the Procurement Team and those technical resources.

A contracts manager sits within the Procurement Team and is responsible for the management of corporate contracts. The contract manager has a close relationship with all directorates regarding travel and accommodation requirements.

## 5.3 Savings

The reported savings for this period are approx. £2.112m, which is inclusive of SQA's contributed savings and Procurement Scotland's reported savings.

This equates to 9.30% savings against the procurement-related expenditure for 2022–23.

## 5.4 Skills and training

The Procurement Team includes two fully qualified and one-part qualified members of the Chartered Institute of Purchasing and Supply (MCIPS), one member of staff currently working on their CIPS qualification, and two members of staff working on an SVQ in Procurement.

## 6 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 request quick quotes from nominated suppliers up to the value of £50k, and to develop strategies to support local companies.

During the period 2022–23, SQA continued to support the two contracts awarded to supported businesses:

Supported business	Contract	Spend
Scottish Braille Press	Printing of Braille papers	£5433.25
Tes-Am	Recycling of IT Equipment	£0

## 7 Contract activity

### Contracts awarded by procedure

During 2022–23, 32 contracts were tendered or awarded:

Procedure	No. of contracts	Estimated contract value
Regulated contracts	9	£2,879,985.00
Unregulated contracts	23	£1,003,895.00

The Procurement Reform (Scotland) Act 2014 requires an annual procurement report to include a summary of the regulated procurements that have been completed during the period covered by the report. All regulated contracts include Fair Work First criteria.

During the period 1st April 2022 to 31st March 2023, SQA awarded nine regulated contracts — all of which complied with the SQA Procurement Strategy. Details of the contracts are provided in the following table:

Date of award	Title	Start date	End date	Contractor	Amount	Extensions available
07/06/2022	<u>Award of Desk Booking System</u>	01/02/2022	14/03/2025	NFS Hospitality UK LTD (GB)	41492	12 months
10/06/2022	<u>New Telephony System</u>	29/07/2022	28/7/2027	Exchange	732290	24 months
02/08/2022	<u>SQA Website Maintenance, Development &amp; Hosting</u>	01/04/2022	31/03/2024	Civic Computing (GB)	280000	24 months
02/08/2022	<u>Ivanti Service Management Tool</u>	01/04/2022	31/3/20024	Ivanti UK Ltd (GB)	1019782.41	24 months
02/08/2022	<u>Performance Testing</u>	1/04/2022	31/03/2023	Edge Testing Solutions (GB)	450000	24 months
02/08/2022	<u>Open Stack Hosting &amp; Cloud Storage</u>	30/06/2022	29/12/2022	Ukcloud (GB)	18000	3 months
01/09/2022	<u>Award of SQA2381 – Project Manager</u>	13/04/2023	31/10/2023	Harvey Nash (GB)	69789.6	5 months
25/08/2023	Risk Mitigation – Legacy Systems	29/09/2022	28/09/2023	Version 1	183000	12 months
30/03/2023	<u>Award of SQA2427 – Project Manager</u>	06/04/2023	18/08/2023	Harvey Nash (GB)	85631	6 months

## 8 Compliance

During 2022–23, 100% of the regulated contracts awarded for SQA core activities were compliant with regulations and no challenges were raised against the awarding of contracts.

The Procurement Team will continue to work with directorates to ensure that tender activity is compliant and in line with the Procurement Policy. Regular meetings will take place with directorate staff to plan future contract activity. The intranet will be used to inform staff of new corporate contracts and any future procurement activity.

## **8.1 Fraud**

There was no fraudulent activity linked to the procurement function during the period 1<sup>st</sup> April 2022 until 31<sup>st</sup> March 2023.

## **9 Conclusion**

This report demonstrates the continued positive impact made by the Procurement Team in delivering SQA's objectives. It details the journey through the period and highlights the Procurement Team's success and initiatives. This was recognised by Scottish Government's Procurement and Commercial Improvement Programme (PCIP), where the team maintained the top-level banding (M1) status. SQA was due to undertake a new PCIP in late 2022, but this has been delayed and it will now take place between February 2024 and May 2024.



# Appendix 1

Supplier	Total spend
R M EDUCATION PLC	£1,798,741.00
PERTEMPS LTD	1,607,642.81
HARVEY NASH PLC	£1,346,054.49
EXECSPACE LTD	£1,219,507.86
CORPORATE TRAVEL MANAGEMENT (NORTH OF ENGLAND) LIMITED	£1,155,371.05
SOFTCAT PLC	£1,142,960.16
LORIEN RESOURCING LIMITED	£1,074,803.32
EDGE TESTING SOLUTIONS	975,393.32
UNIT4 BUSINESS SOFTWARE LIMITED	£739,554.00
MAPP PROPERTY MANAGEMENT	£651,015.11
HP INC UK LIMITED	£619,576.76
ROYAL MAIL	£470,387.26
PAGE BROS	£443,568.69
QUORUM NETWORK RESOURCES LTD	£435,102.00
BTL GROUP LTD	£426,000.00
PARCELFORCE	£360,627.98
APAM LTD	£290,090.25
ALBACORE	£242,737.39
ADARE SEC LIMITED	£241,106.50
RAWI & CO ASSOCIATES LTD	£216,263.50
AGILISYS LIMITED	£215,589.63
CAPITA BUSINESS SERVICES LTD - SWAN	£212,140.71
CIVIC COMPUTING	£200,703.76
NCC GROUP	£198,670.00
ASA INTERNATIONAL LTD	£194,393.00
VENESKY-BROWN RECRUITMENT LTD	£193,936.03
EMTEC FACILITIES SERVICES	£191,801.62
PEOPLESCOUT LIMITED	£173,669.63
VERSION 1 LIMITED	£160,124.95
BELL DECORATING GROUP LIMITED	£150,637.38
IVANTI UK LIMITED	£149,488.00
MITIE SECURITY LTD	£147,306.64
CLYDE PAPER AND PRINT	£146,582.45
ID BUREAU SERVICES	£146,136.16
PULSANT (SOUTH GYLE) LIMITED	£139,964.82
REPUBLIC OF MEDIA LTD	£132,275.76
ASHBROOK RESEARCH & CONSULTANCY	£126,111.67
SENATOR INTERNATIONAL LTD	£118,434.54
BRODIES LLP FAO RAMSAY HALL	£118,240.50
STEPHEN AUSTIN & SONS LIMITED	£113,369.04
XEROX(UK) LTD	£109,594.13
EDF ENERGY LIMITED	£105,215.89

<b>Supplier</b>	<b>Total spend</b>
TESTING PERFORMANCE LTD	98,582.75
MARITIME & COASTGUARD AGENCY	£96,400.00
DENTSU CREATIVE	£93,660.00
SAS SOFTWARE LTD	£88,344.00
CHINA-BRITAIN BUSINESS COUNCIL	£83,829.17
GRANT THORNTON UK LLP	£80,721.50
PORTICO CONSULTING LIMITED	£80,006.25
ATOS IT SERVICES UK LTD	£78,408.57
ROCKPOOL SOLUTIONS LIMITED	£71,396.62
MACKAY & INGLIS LIMITED	£69,648.59
CITY SPRINT	£68,566.53
COGENT SKILLS LIMITED	£66,666.68
LOCKTON COMPANIES LLP	£66,087.21
DISCLOSURE SCOTLAND	£64,560.84
GARTNER UK LIMITED	£64,500.00
ROCKET EXHIBITIONS & EVENTS LTD	£59,412.04
TIBCO SOFTWARE (IRE) LTD	£58,967.00
EXCHANGE COMMUNICATIONS INSTALLATIONS LTD	£58,742.75
INITIAL PACKAGING LTD	£55,252.39
HIRESERVE LIMITED	£54,309.38
HOBBS THE PRINTERS LTD	£53,679.76
ENTERPRISE RENT A CAR	£52,228.74
SPACE SOLUTIONS (SCOTLAND) LTD	£50,797.88

# Appendix 2

## Future regulated procurements summary

The table below provides a summary of the regulated procurement anticipated in the next two financial years.

Financial year	Contract	New or retender	Estimated value
23/24	Digital Marketing	Retender	£200,000.00
23/24	Next Gen HN	New	Initial Cost £1m
23/24	Performance testing	Retender	£450,000
23/24	E-recruiter contract	Retender	£120,000
24/25	External Verifier Assessment	Retender	£130,000
24/25	Marketing Automation Tool	Retender	£110,000
24/25	ISO Certification	Retender	£50,000
24/25	Courier Service Question Papers	Retender	£200,000
24/25	Legal Services	Retender	£700,000
24/25	Examination Packaging	Retender	£180,000
24/25	Specialist Paper Products	Retender	£430,000
25/26	Permanent & Fixed Term Recruitment	Retender	£400,000
25/26	Secure Base Stock	Retender	£500,000
25/26	M & E Maintenance	Retender	£440,000
25/26	Hosted Sap Reference Site	Retender	£150,000
25/26	Website Maintenance	Retender	£380,000
25/26	Internal Audit Service	Retender	£400,000
25/26	Courier Services	Retender	£3,000,000