

Procurement Annual Report 2014/2015

Annual Procurement Report

CONTENTS PAGE

| | |
|--|-----------|
| 1. Introduction..... | Page 1 |
| 2. Procurement Journey..... | Page 3 |
| 3. Summary of Regulated Procurements 2014/15..... | Page 4 |
| 4. Procurement Indicators..... | Page 5 |
| (1) Compliance to SDS Procurement Strategy..... | Page 5 |
| (2) Value For Money..... | Page 5 |
| (3) Best Practice Indicators..... | Page 5 |
| 5. Synopsis of 2013/2014 Highlights..... | Pages 6-7 |
| (1) Contract Management Policy..... | Page 6 |
| (2) Summarised Contracts Register..... | Page 6 |
| (3) Responsible and Sustainable Procurement Policy..... | Page 6 |
| (4) Third Sector..... | Page 6 |
| (5) Supported Businesses..... | Pages 6-7 |
| (6) Community Benefits..... | Page 7 |
| (7) Tier 1 providers (supported businesses)..... | Page 7 |
| (8) Employment Recruitment Incentive..... | Page 7 |
| 6. Procurement People of Tomorrow..... | Page 8 |
| (1) Modern Apprenticeship in Procurement and Supply Chain..... | Page 8 |
| (2) Graduate Internship in Procurement and Supply Chain..... | Page 8 |
| 7. Internal Learning and Development..... | Page 9 |
| (1) Contract Management | Page 9 |
| (2) Fraud Masterclass..... | Page 9 |
| 8. Awards..... | Page 10 |

1. Introduction

The Procurement Reform (Scotland) Act 2014 covers contracting authorities. The Skills Development Scotland Co. Ltd (registered number SC202659 is a contracting authority. A contracting authority which is required to prepare or revise a procurement strategy in relation to a financial year must prepare an annual procurement report on its regulated procurement activities. SDS is pleased to publish our second Annual Procurement.

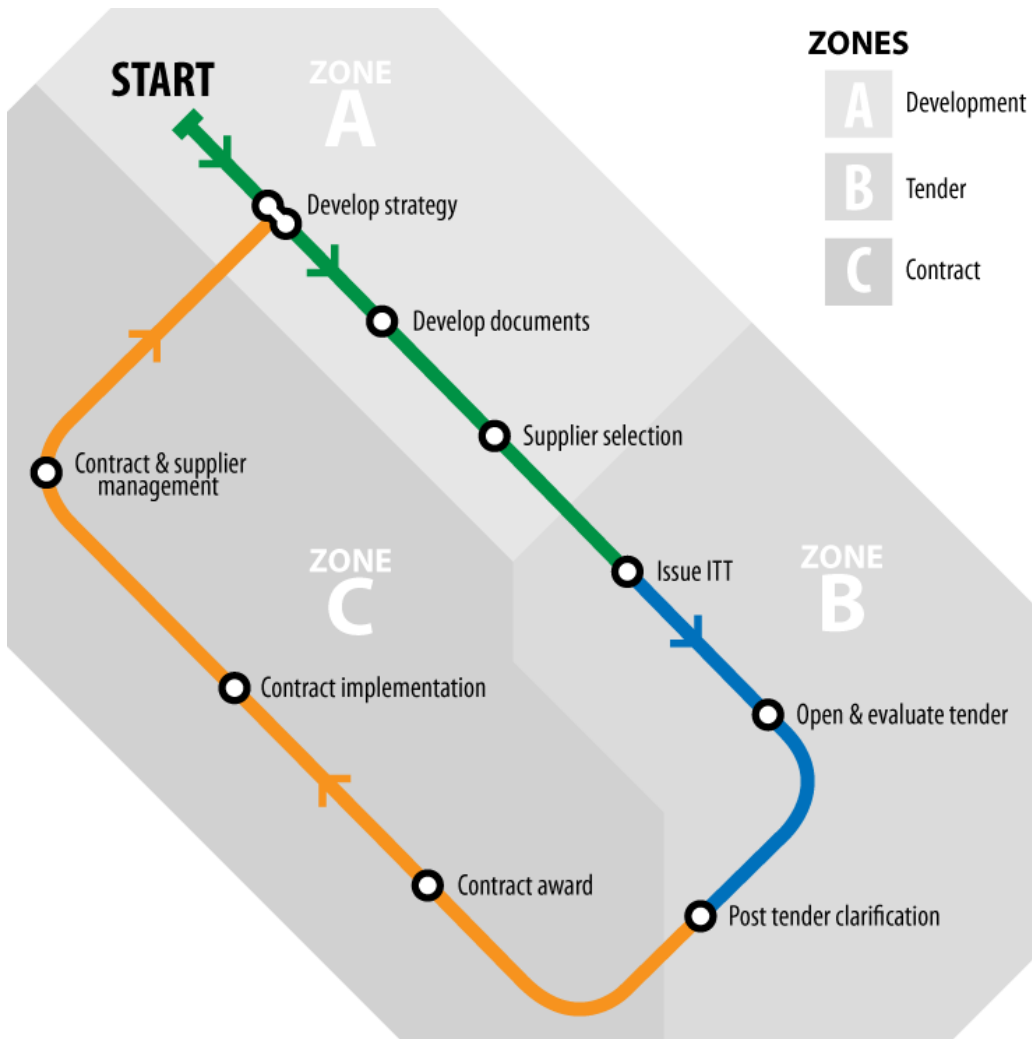
SDS has two in-house lawyers both members of the Law Society of Scotland who provide legal advice to the procurement team. Public sector procurement is a legislative process.

SDS requires to strive to contribute to the realisation of: economic, environmental and community benefits through undertaking a sustainable based procurement approach.

SDS will strive to ensure: openness, fairness, transparency and audibility in the procurements we conduct. Procurement competitions are always conducted in a proportionate manner. The use of Public Contracts Scotland is embedded across SDS. We report on all regulated procurements with a value greter than £5,000.

We are delighted to publish our first Annual Procurement Report 2013/2014.

2. The Procurement Journey



3. Summary of Regulated Procurements

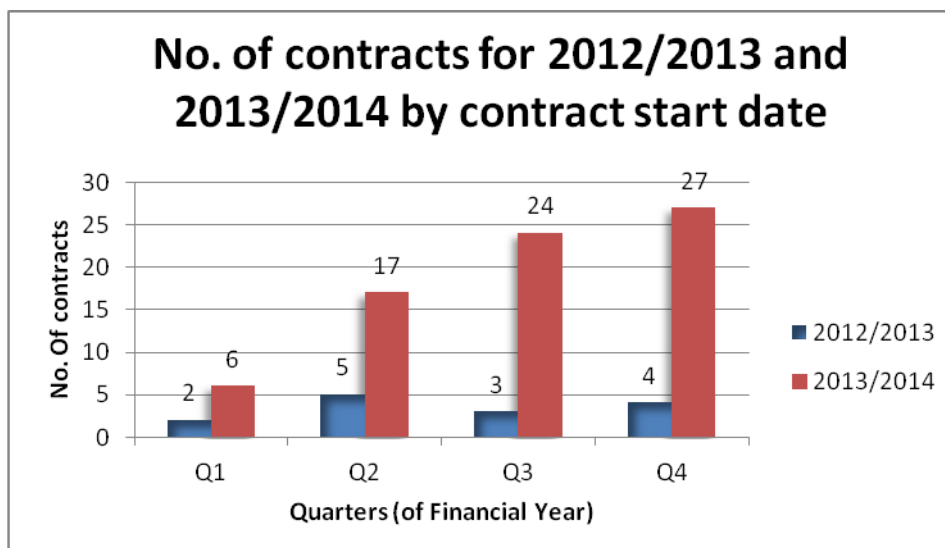
SDS has a Procurement Policy which details our competition thresholds. There has been an extremely positive trend in the number of procurements conducted by the Central Procurement Team. Please find below the number of contracts placed over the last 3 Financial Years. The Central Procurement Team have conducted procurements above £5,000 in a regulated manner.

Details of the regulated procurements conducted during Financial Year 2014/15 are attached as Annex A.

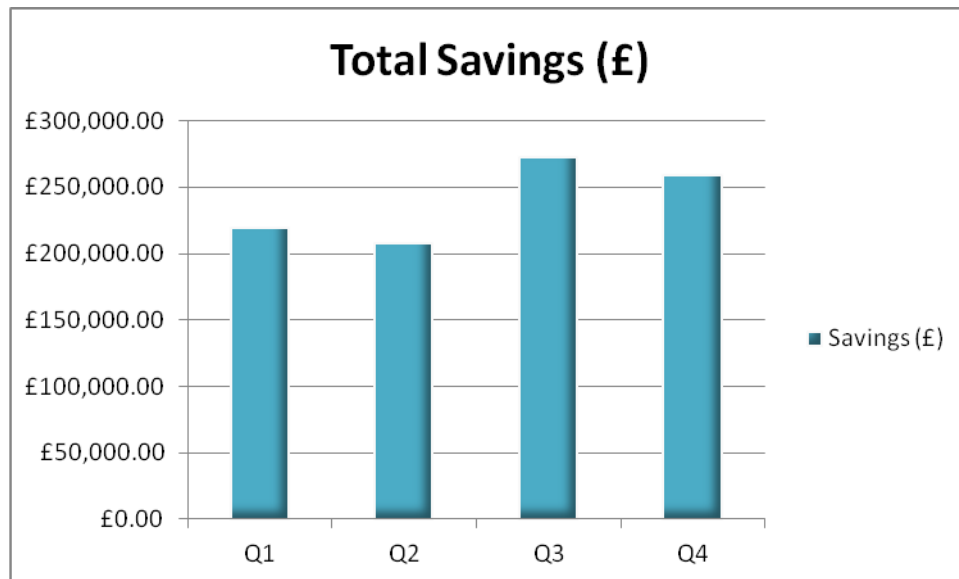
4. Procurement Indicators

The SDS Procurement Dashboard has been developed to report on Key Performance Indicators across SDS. A number of tables are presented to show the data collected. There are also bar graphs and charts to compare data on a quarterly and yearly basis.

(1) Contractual coverage has significantly increased between Financial Year 2012-2013 (a total of 14 contracts) and Financial Year 2013-2014 (a total of 74 contracts). The significant increase is due to all procurements over £5,000 being conducted by the Central Procurement Team. There has also been an increase in activity which has driven a greater number of procurement competitions to be undertaken.



(2) Value For Money (VFM) is the key principle for all procurements conducted at SDS. A total **saving** of £960,287.64 has been achieved during Financial Year 2013/2014 (1 April 2013 to 31 March 2014).



(3) Best Practice Indicators (BPIs) have been submitted to the Scottish Procurement Information Hub along with 2013/14 spend data. This will be continue to be uploaded on an annual basis.

5. Synopsis of 2014/2015 Highlights

(1) Contract Management Policy

The SDS Contract Management Policy has now been put in place. A Contract Management Plan is worked up for all contracts with an aggregate value of £150,000. A designated Contract

(2) Summarised Contracts Register

In line with the Public Procurement Reform Bill, we published our summarised Contracts Register on our Corporate website on 19 May 2014. It will be refreshed on a quarterly basis. Link as follows:

www.skillsdevelopmentscotland.co.uk/about-us/policies/procurement

(3) Responsible and Sustainable Procurement

The Procurement & Legal team have published the SDS Responsible and Sustainable Procurement Policy (RaSPP):

http://www.skillsdevelopmentscotland.co.uk/media/999425/rasp_policy_final.pdf

and Strategy:

http://www.skillsdevelopmentscotland.co.uk/media/1149645/responsible_and_sustainable_procurement_strategy_2014.pdf

which determines how we buy products and services in a socially responsible manner.

The aim of the policy is to make sure that we are buying goods and services in a way that achieves value for money while also benefitting communities, the economy and minimising our impact on the environment.

(4) Third Sector

A Third Sector business is a non-governmental and non-profit-making organisations or association, including: charities, voluntary and community groups, cooperatives etc.

SDS supports the “Developing Market Sector for the Third Sector Provider’s Programme”. Community Benefits in this context are contractual requirements which deliver a wider social benefit. There are various categories of Community Benefits Clauses:

- Targeted Recruitment and Training
- Environmental
- Community Engagement

www.readyforbusiness.org

Suppliers are sign-posted to the Our Skills Force website from the Scottish Government sustainable procurement web page.

SDS attend the Community Benefits and Procurement Champions meetings to gain more knowledge and information on best practice sustainable procurement activity.

(5) Supported Businesses

A national collaborative framework agreement for Supported Factories and Businesses has been established to provide products and services to the Scottish public sector.

The framework is reserved for Supported Factories and Businesses as defined in regulation 7 of the Public Contracts (Scotland) Regulations 2012 (Article 19 of Directive 2004/18/EC). A supported factory/business is “an establishment where more than 50 per cent of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market”.

To ensure we are procuring goods and services in a responsible and sustainable manner, we have placed a number of contracts with Supported Businesses:

- Redrock Document Solutions for digitisation of HR, Payroll and Customer Services records. We worked successfully with Redrock to solve the problem of digitising a large number of HR documents. This will be extended across other business areas.
- Signage via The Sign Factory. We have placed our first order with The Sign Factory in Falkirk as a sub-contractor through Mitie, who provide our facility management services.

(6) Legal Services Framework

SDS Procurement awarded a 4 year multi-supplier Legal Services framework on 26 September 2013. There are 4 firms on the framework; Anderson Strathern, Burness Paull, DWF Biggart Baillie and Shepherd & Wedderburn.

The SDS framework was a collaborative effort with VisitScotland. The very competitive rates on offer represent a 6% saving from our previous legal services rates, along with a range of free added value services such as training, seminars and webinars.

(7) SDS Tier One Suppliers engagement with supported businesses

(8) Employment Recruitment Incentive

SDS Procurement awarded a new Contract on 6 November 2013 for Employer Recruitment Incentive (ERI) - Targeted Young People (TYP). This Programme targets young people aged 16-24 years old facing significant challenges which impact on their transition into work and encourages employers to give these young people a positive start in the world of work.

The ERI TYP programme supports three groups of young people:

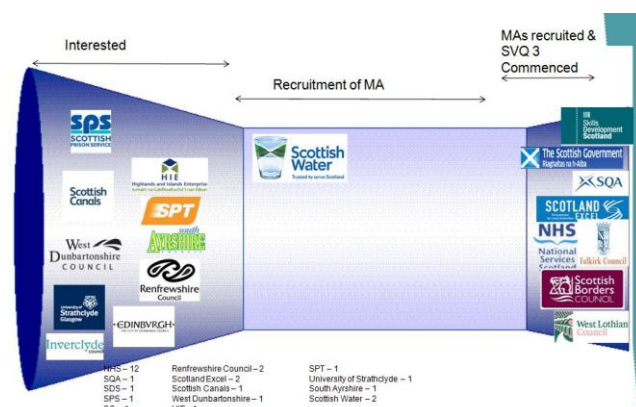
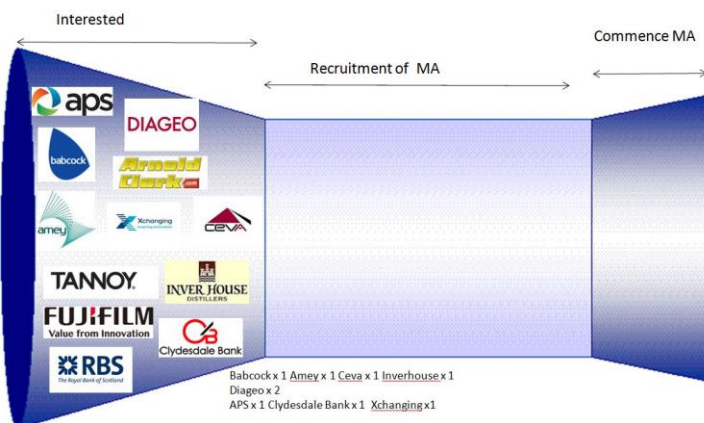
- Care Leavers
- Young Carers
- Disabled

The contract was awarded to 6 suppliers in the main third sector organisations:

- Action for Children
- Barnardo's
- Cornerstone
- Enable Scotland (Open Doors Partnership incl RNIB, SAMH, Lennox Partnership, Action on Hearing Loss and Capability Scotland)
- The Workers Educational Association (WEA)
- Carer's Trust

6. Bridging the Skills Gap Event

PROCUREMENT
People of TOMORROW



(1) Modern Apprenticeship in Procurement and Supply

SDS launched the Modern Apprenticeship in Procurement and Supply Chain on 18 June 2014. See link: <http://www.ourskillsforce.co.uk/modern-apprenticeships/types-of-modern-apprenticeships/?letter=p> and <http://www.myworldofwork.co.uk/types-of-apprenticeships-results-letter/p>

SDS as an organisation have been innovative and at the forefront of best practice procurement. During Financial Year 2013 / 14 we have worked with partners to deliver a ground breaking initiative which will not only build on the excellent work we do to support young people but will contribute to the Scottish Government's youth employment agenda.

The Procurement People of Tomorrow initiative is a joint venture between SDS and the Scottish Government and aims to:

- Nurture existing talent within the procurement community to help create our leaders of tomorrow; *and*
- Inspire and enable young people from all backgrounds to choose a career in procurement

The City of Glasgow College is a key delivery partner and its schools programme supported by the Chartered Institute of Purchasing and Supply underpins the initiative. So far, over 100 school children have taken part in the initiative with 28 pupils achieving basic purchasing accreditation (the Schools Certificate in Procurement). This will be further extended to an HNC/HND in supply chain management with the Modern Apprenticeship in Procurement and Supply Chain Framework (SVQ 3) having been approved and launched.

Three important benefits of the Modern Apprenticeship in Procurement and Supply Chain (SVQ 3) are:

- It allows educational progression, from a Level 3 Scottish Vocational Qualification to a degree equivalent qualification in Procurement and Supply
- A pathway to progress through the Chartered Institute of Purchasing and Supply – from Level 2 onwards; an internationally recognised qualification
- A wide variety of jobs are available, upon qualification, such as: Buyer, Procurement Manager, e-procurement specialist, commodity category manager

(2) Graduate Internship in Procurement and Supply

SDS recruited their first Intern Graduate in the Procurement department in July 2013 for a 12 month fixed-term contract in order to provide public sector procurement experience. The Intern was funded to undertake the Diploma (Level 4) in the Chartered Institute of Purchasing and Supply professional qualification while at SDS.

The case study can be found here: <http://www.skillsdevelopmentscotland.co.uk/news-and-events/mypyb-case-studies/emma-drysdale-procurement-executive/>

7. Internal Learning and Development

(1) Contract Management & Supplier Relationship Management Training

(2) SDS Fraud Prevention / Fraud Masterclass

8. Awards

- SDS are a member of the Procurement People of Tomorrow Programme who were awarded Best Contribution to the Reputation of the Procurement Profession in the

CIPS' Supply Management Awards 2013. Procurement People of Tomorrow is led by the Scottish Government.

- SDS was successful in winning the GO Award for Procurement Leadership at the Scottish and UK Awards
 - **GO Procurement Leadership Scotland – non Health organisations - WINNER – SDS, October 2014**
 - **GO Procurement Leadership UK – WINNER – SDS, March 2015**



Annex A – Contracts Placed from April 2014 to March 2015

| SDS CONTRACT REGISTER - Contracts Placed from April 2014 to March 2015 | | | | | |
|--|--|--|----------------------|---|---------------------|
| Contract Ref No. | Contract Title | Contractor | Annual Value (ex VA) | Total Contract Value incl extension periods (ex VA) | Contract Start Date |
| P12-023E | Actuarial Services | Hymans Robertson | £10,500.00 | £10,500.00 | 01/03/2015 |
| P13-030 | ITQ Skills Pulse Survey - Surveys with Businesses | Scottish Chambers of Commerce | £10,000.00 | £10,000.00 | 01/07/2014 |
| P13-040 | Mini Comp - Design Management | Aptide Ltd | £30,000.00 | | 14/10/2014 |
| P13-043 | Strengths Diagnostic Tool | CAPP | £25,000.00 | | 03/04/2014 |
| P13-045 | Design & Delivery of Licence to Practice Workshops | CIPFA | £27,800.00 | £27,800.00 | 02/04/2014 |
| P13-055 | Energy Skills Scotland (ESS) Website | Innovation Digital | £20,000.00 | incl. In value above | 18/11/2014 |
| P13-056 | CIAG Level 7 - HNC | The BRITE Initiative | £37,890.00 | £27,000,000.00 | 04/04/2014 |
| P13-057 | National Training Programme - Modern Apprenticeships - Provider | Various | £75,000,000.00 | £75,000,000.00 | 01/04/2014 |
| P13-058 | National Training Programme - Modern Apprenticeships - Employer | Various | incl. In value above | incl. In value above | 01/04/2014 |
| P13-059 | National Training Programme - Employability Fund | Various | £27,000,000.00 | £27,000,000.00 | 01/04/2014 |
| P13-073 | EIS - Deskside Support | Dacoll | £265,478.00 | £543,256.00 | 07/07/2014 |
| P13-075 | EIS - Hosting & Enterprise Applications | CGI | £3,736,968.00 | £16,718,609.00 | 17/07/2014 |
| P13-076 | EIS - Business Systems | Lockheed Martin | £2,953,352.00 | £12,375,693.00 | 31/07/2014 |
| P14-001 | MA Provider for Youth employment Programme - Phase 2 | Glasgow Kelvin College | N/A | N/A | 26/01/2015 |
| P14-004 | Leadership 360 | Talent Innovation | £27,500.00 | | 30/05/2014 |
| P14-007 | Gateway Shared Services | Glasgow City Council; | £67,085.00 | | 01/04/2014 |
| P14-012E | Digital Scotland Business Excellence Partnership - Curriculum | Plan C | | | 31/07/2014 |
| P14-015E | Digital Scotland Business Excellence Partnership - Applications | HIE | £8,333.33 | £20,000.00 | 16/07/2014 |
| P14-021 | Intranet upgrade Sharepoint 10 | Brightwire | £37,376.00 | | 11/04/2014 |
| P14-022 | Gaelic Careers Event | Dynam | £17,900.00 | £17,900.00 | 21/08/2014 |
| P14-023 | MYDNA | Visual DNA | £6,000.00 | | 08/04/2014 |
| P14-023E | MyDNA Extension | Visual DNA | £10,400.00 | | 01/08/2014 |
| P14-024E | Skills for Growth - extension to existing contract | Investors in People (IIP) | £41,666.00 | £120,000.00 | 01/04/2014 |
| P14-024E (2) | Skills for Growth - extension to existing contract | Investors in People (IIP) | £100,000.00 | £220,000.00 | 01/10/2014 |
| P14-025 | Political Intelligence | NewsDirect | £7,500.00 | £7,500.00 | 05/05/2014 |
| P14-026 | My World of Work UX2.0 - Style guide | Blonde (The Leith Agency) | £39,306.00 | £39,306.00 | 30/06/2014 |
| P14-028 | Provision for the design and delivery of development of | Garth Associates | £16,000.00 | £48,234.00 | 09/06/2014 |
| P14-029 | Provision for the design and delivery of Additional Support | Brite Initiative | £14,000.00 | £42,625.00 | 09/06/2014 |
| P14-030 | Provision for the design and delivery of digital proficiency and mobile working learning (workshops and e-learning /video) | Aurion Learning | £15,000.00 | £44,187.00 | 25/08/2014 |
| P14-031 | Provision of design and delivery for Social Media development | N S Design | £12,000.00 | £22,176.00 | 05/09/2014 |
| P14-032 | Provision of design and delivery of Partnership Working | Rocket Science | £14,400.00 | £14,400.00 | 26/01/2015 |
| P14-033 | Provision of design and delivery of learning in Labour | University of Glasgow - TERU | £8,000.00 | £23,625.00 | 01/09/2014 |
| P14-034 | Provision of design and delivery of Presentation Skills | Aviour | £6,000.00 | £18,900.00 | 15/12/2014 |
| P14-035 | Occupational Health | OH Assist | £12,000.00 | £12,000.00 | 01/01/2015 |
| P14-036 | Employee Assistance Programme | ATOS Healthcare | £5,071.00 | £5,071.00 | 01/01/2015 |
| P14-038 | Service Desk Tool | Softcat | £67,590.91 | £195,181.81 | 05/05/2014 |
| P14-039 | Employability Fund Formative Evaluation | SQW Ltd | £36,288.00 | £36,288.00 | 03/07/2014 |
| P14-040 | Disability/ASN Young People - EF & MA | Barnardo's and Remploy | £41,666.00 | £41,666.00 | 11/07/2014 |
| P14-041 | Electronic Note Taking | Louisa McDaid; Jackie Donati; Melanie Coulter; Gail Richardson | £7,000.00 | £30,000.00 | 11/07/2014 |
| P14-042E | Skills Pulse Survey SCDI | SCDI | £10,000.00 | £10,000.00 | 01/05/2014 |
| P14-043 | Telephone Survey of Head teachers for SDS CIAG Offering | IFF Research | £15,250.00 | £15,250.00 | 05/06/2014 |
| P14-045 | Media Access Licence - NCA | NLA Media Access Ltd | £7,964.20 | £7,964.20 | 15/05/2014 |
| P14-046 | MY WOW Architecture and Taxonomy | Acquia | £12,000.00 | | 15/06/2014 |
| P14-048 | HR Facilitation Day | Aviour | £2,500.00 | | 06/06/2014 |
| P14-050 | SWAN Call-off | Capita | £400,000.00 | £1,500,000.00 | 10/10/2014 |
| P14-052 | ELG Facilitation and Development | IIP | £11,200.00 | £11,200.00 | 18/06/2014 |
| P14-053 | CWR College Development | College Development Network | £55,830.00 | £55,830.00 | 25/08/2014 |
| P14-054 | CWR Employer Engagement with Glasgow Chamber of Commerce | Glasgow Chamber of Commerce | £8,666.00 | £8,666.00 | 01/08/2014 |
| P14-055 | Skills Scotland Event | Prospects | £35,000.00 | £35,000.00 | 01/08/2014 |
| P14-056 | Sotland Festival | Springboard Events Ltd | £10,540.80 | £10,540.80 | 01/09/2014 |
| P14-057 | Digital Services (SE) | Dog Digital | £71,232.00 | £299,453.00 | 01/08/2014 |
| P14-058 | Energys Skills Challenge Fund 3 | Dumfries & Galloway College | £45,000.00 | £45,000.00 | 01/09/2014 |
| P14-058 | Energys Skills Challenge Fund 3 | West College Scotland | £197,370.00 | £197,370.00 | 01/09/2014 |
| P14-058 | Energys Skills Challenge Fund | Forth Valley College | £79,466.00 | £79,466.00 | 15/10/2014 |
| P14-058 | Energys Skills Challenge Fund | Dumfries & Galloway College | £100,000.00 | £100,000.00 | 04/09/2014 |
| P14-058 | Energys Skills Challenge Fund | Dundee & Angus College | £93,500.00 | £93,500.00 | 03/09/2014 |
| P14-058-2 | Energy Skills Challenge Fund 4 | Dundee & Angus College | £25,420.80 | £25,420.80 | 17/11/2014 |