Procurement Annual Report

Financial year 2019-2020

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1 Foreword

We are pleased to present SQA's Procurement Annual Report for 2019-20 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 the Procurement Team contributed to approximately £1.4m 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 product/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 ensure social value commitments and fair work practices are embedded within the tendering process and contract awarding, and work with the business to drive improvements throughout the life of the contracts to maintain the integrity of SQA and uphold its' interests.

2 Background

During 2019-20 the Procurement Team worked closely with the Business 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 Procurement and each Business area and removed risks of missing key dates.

In 2019-2020, SQA spent £19.6m on goods and services with more than 439 suppliers.

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

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 Fair Work Practice.
- Support for SQA's income generation opportunities.

- Programme of tendering to support SQA delivery.
- Implement structured stakeholder engagement meetings.

All objectives identified above have been completed/implemented. Controls and processes were implemented and measured on agreed timescales. Regular meetings are held with each Business Area to measure performance of existing contracts, cost control against budgets and to establish future requirements. Savings achieved are recorded on monthly basis for SQA contracts and a quarterly basis for the collaborative contracts. SQA paid all direct labour contracts the living wage during this period. A suite of training modules was implemented and made available to all staff.

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 48% 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.

Contract management

SQA recognises the importance of contract management and prioritises individual contracts in line with their strategic importance. The day-to-day oversight and operation of the contracts is managed by the end user, with procurement being involved with those contracts identified as of high strategic importance.

A dedicated Contract Manager is embedded within Business Systems and works closely with the Purchasing Manager in the Procurement Team responsible for the Business area which enhances the engagement between Business Systems and Procurement. The Procurement Team highlight any supplier issues and discuss upcoming contracts as well as the performance current contracts, enabling SQA to work as one, when dealing with supplier / contractual issues including any disputes. This approach also supports engagement with technical colleagues in business systems as the Business Systems Contract Manager can often act as a bridge between procurement 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 and has successfully rolled out the Travel and Accommodation on-line booking tool to over 75% of staff to use directly. This reduced the management fee payable to the supplier and improved the data quality for each booking. They also used the tool to manage SQA's Travel Policy which was reviewed and updated during 2019-20 to ensure adherence to the rates allowable within the revised policy. As a result of the changes to the policy and the additional controls put in place resulted in the booking of rooms out with the policy to be reduced to 5% of all bookings.

The Contract Manager also implemented a streamlined process for booking of Events which great successful; this reduced the amount of manual interaction of the Events Team allowing them to concentrate on other duties.

Savings

The reported savings for this period are in excess of £1.4m which is inclusive of SQA's contributed savings and Procurement Scotland's reported savings.

This equates to 7% savings against the procurement related expenditure for 2019-20.

Skills and training

The Procurement Team includes three fully qualified and one-part qualified MCIPS staff members.

During this period, all of the Team undertook the Procurement and Contract Management training modules developed by Scottish Procurement to enhance their skills. The Purchasing Manager commissioned the development of an Anti-Bribery training module during this period.

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 £50,000, which allows SQA to develop strategies to support local companies.

During the period 2019-20 SQA awarded two contracts to supported businesses at a value of £12,000.

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

6 Transparency

Contracts awarded by procedure

During 2019-20, 56 contracts were tendered/awarded.

Procedure	No of Contracts	Estimated Contract Value
Regulated Contracts	41	£19 million
Unregulated Contracts	10	£0.45 million
Non-Competitive Action (NCA)*	5	£0.200 million

*NCA breakdown of contracts and value:

China- Britain Business Council	£0.060m
Association of Employment	£0.006m
EPA Pro	£0.030m
Copyright Licensing Agency	£0.012m
Directors for the Certificate in Company Direction	£0.012m

Compliance

During the period of 2019-20:

- 100% of the regulated contracts awarded for SQA core activities were compliant with regulations and no challenges were raised against contract award.

Fraud

There was no fraudulent activity linked to the procurement function during the period of April 2019 until March 2020.

7   Conclusion

This report demonstrates the continued positive impact made by the Procurement Team in the delivery of 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, where the Team maintained the top-level banding (M1) status.

Supplier	Spend
CORPORATE TRAVEL MANAGEMENT (NORTH OF ENGLAND) LIMITED	£1,665,378.53
R M EDUCATION PLC	£1,593,170.85
EXECSPACE LTD	£1,421,686.00
PERTEMPS LTD	£1,256,301.96
QUORUM NETWORK RESOURCES LTD	£742,275.00
CAPITA BUSINESS SERVICES LTD	£582,303.54
ALBACORE	£553,059.63
AGILISYS LIMITED	£527,275.98
ROYAL MAIL	£430,206.33
SPECIALIST COMPUTER CENTRES PLC	£412,726.11
ACTIAN EUROPE LIMITED	£406,500.00
PARCELFORCE	£385,727.99
SPRING TECHNOLOGY STAFFING SERVICES	£368,368.00
HARVEY NASH PLC	£362,864.20
BTL GROUP LTD	£310,132.58
COMPAREX UK LTD	£292,758.75
STEPHEN AUSTIN & SONS LIMITED	£289,141.83
LORIEN RESOURCING LIMITED	£232,298.38
FUJITSU SERVICES	£227,249.32
HP INC UK LIMITED	£227,072.71
NCC GROUP	£220,683.00
PAGE BROS	£213,328.28
BRODIES LLP FAO RAMSAY HALL	£196,979.80
ASHBROOK RESEARCH & CONSULTANCY	£185,479.13
EGTON MEDICAL INFORMATION SERVICES	£182,901.53
CLYDE PAPER AND PRINT	£153,037.34
CIVIC COMPUTING	£152,011.90
ADARE SEC LIMITED	£146,400.53
VENESKY-BROWN RECRUITMENT LTD	£145,616.25
HAYS SPECIALIST RECRUITMENT LIMITED	£140,975.82
PULSANT (SOUTH GYLE) LIMITED	£137,107.23
TMP UK LIMITED	£129,768.40
EVERYTHING EVERYWHERE LTD	£129,338.38
FES FM LTD	£120,520.87
ABSOFT LIMITED	£120,277.00
WARWICK UNIVERSITY TRAINING LIMITED	£115,678.88
PARITY RESOURCES LIMITED	£114,505.83
MITIE SECURITY LTD	£114,129.92
ATOS IT SERVICES UK LTD	£110,614.90
APAM LTD	£110,108.27
QUALITEST GROUP UK LTD	£109,397.86
ID BUREAU SERVICES	£109,161.90

EDF ENERGY LIMITED	**£103,373.60**
TIBCO SOFTWARE (IRE) LTD	**£93,163.65**
KORN FERRY HAY GROUP LIMITED	**£85,574.10**
SCOTT-MONCRIEFF	**£83,970.40**
EDGE TESTING SOLUTIONS	**£80,900.00**
ROCKET EXHIBITIONS & EVENTS LTD	**£78,772.04**
XEROX(UK) LTD	**£78,284.17**
CITY SPRINT	**£75,861.46**
HOGG ROBINSON TRAVEL LIMITED T/A HRG UK	**£74,165.87**
PROVISTA UK LTD.	**£72,883.28**
DIGNITY HR SOLUTIONS LTD	**£71,557.63**
TRON SYSTEMS LTD	**£71,250.00**
IVANTI UK LIMITED	**£70,076.63**
STORM ID LTD	**£66,287.49**
SAS SOFTWARE LTD	**£64,937.00**
JOINT COUNCIL FOR QUALIFICATIONS	**£64,460.83**
NARIC UK (ECCTIS LTD)	**£61,190.00**
CHINA-BRITAIN BUSINESS COUNCIL	**£59,982.58**
PORTICO CONSULTING LIMITED	**£59,750.00**
ENTERPRISE RENT A CAR	**£57,317.12**
COGENT SSC LIMITED	**£56,045.83**
WELLINGTONE LIMITED	**£53,770.67**
ABELLIO SCOTRAIL LTD	**£52,998.33**
GARTNER UK LIMITED	**£52,470.00**