



**Procurement Annual Report:
Financial year 2020–21**

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Foreword

We are pleased to present SQA's Procurement Annual Report for 2020–21. It sets out the work and the contribution made by the department 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 £1.5m in savings across all SQA's 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 the whole-life cost of 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 provides a vital professional service to ensure SQA achieves the best value for goods and services delivered through third-party contracts. The team works closely with colleagues and stakeholders across all SQA's directorates, Procurement Scotland and Crown Commercial Services to ensure contract delivery, value for money and innovation, while ensuring that legal and commercial governance have been adhered to.

The Procurement team ensures that social value commitments and fair work practices are embedded in 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.

Background

During 2020–21 the Procurement team worked closely with the business to service its requirements. A 'tender pipeline' was developed and shared with each business area to allow for better visibility of the tender process. This helps us to ensure that planning is effective and that appropriate resources are available to meet operational requirements. This approach has improved the engagement between Procurement and each business area, and has mitigated risks of missing key dates.

In 2020–21, SQA spent £19.187m on goods and services with more than 330 suppliers.

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

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 these objectives have been completed/implemented.

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 68% 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 contracts by strategic importance. Day-to-day oversight and operation of the contracts is done by end-users, with Procurement being involved with those contracts identified as being of high strategic importance.

A dedicated Purchasing Manager is embedded in the Business Systems team, and works closely with the Procurement Manager in the Procurement team who is responsible for the business area. This enhances the engagement between Business Systems and Procurement. The Procurement team highlights any supplier issues and discusses upcoming contracts as well as the performance current contracts. This enables SQA to work as one when dealing with supplier/contractual issues — including disputes. This approach also supports engagement with colleagues in Business Systems — the Business Systems Purchasing Manager can often act as a bridge between procurement and Business Systems resources.

A Contracts Manager sits within the Procurement team. This role 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 online booking tool to over 75% of staff to use directly.

This has reduced the management fee payable to the supplier and improved the data quality for each booking.

The Contract Manager also used the online booking 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. The changes to the policy and the additional controls put in place resulted in the booking of rooms outwith the policy to be reduced to 5% of all bookings.*

The Contract Manager also implemented a streamlined process for booking of events, which has proved highly successful. This has reduced the amount of manual interaction of the Events team, allowing them to concentrate on other duties.

*COVID-19 has reduced the spend in travel and events booking in 2020–21 by £3.451m.

Savings

The reported savings for this period are approx. £1.5m. This includes SQA's contributed savings and Procurement Scotland's reported savings.

This equates to 7.5% savings against the procurement-related expenditure for 2020–21.

Skills and training

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

During this period, all Procurement team staff have undertaken Sustainability training, Brexit training, Power BI training, training on the Public Contracts Scotland Tender Portal, and training on the 'BeOrganised' Contract Management System supplied by Brodies (SQA's corporate lawyer).

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 2020–21 SQA continued to support the two contracts awarded to supported businesses. The spend was greatly reduced due to COVID-19.

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

Transparency

Contracts awarded by procedure

During 2020–21, 29 contracts were tendered/awarded.

| Procedure | Number of contracts | Estimated contract value |
|-------------------------------|---------------------|--------------------------|
| Regulated contracts | 13 | £5,542,751.40 |
| Unregulated contracts | 15 | £396,654.60 |
| Non-competitive action (NCA)* | 1 | £12,000 |

*NCA breakdown of contracts and value:

Learners Panel £0.012m

Compliance

During 2020–21:

- ◆ 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 2020 until March 2021.

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.

Appendix 1: List of spending per supplier

This is a list of SQA's spend, broken down by supplier, where the total spend is in excess of £50,000.

| Supplier | Amount |
|-------------------------------------|---------------|
| Softcat plc | £2,981,518.83 |
| RM Education plc | £1,633,101.11 |
| Unit4 Business Software Ltd | £1,493,193.85 |
| Rawi & Co Associates Ltd | £1,038,064.80 |
| Lorien Resourcing Ltd | £608,790.94 |
| Harvey Nash plc | £558,743.42 |
| Capita Business Services Ltd | £523,413.67 |
| Royal Mail | £443,720.02 |
| Ivanti UK Ltd | £416,398.22 |
| BTL Group Ltd | £373,800.00 |
| Venesky-Brown Recruitment Ltd | £347,178.60 |
| Agilisys Ltd | £334,499.19 |
| Version 1 Ltd | £322,915.68 |
| HP Inc UK Ltd | £314,948.94 |
| Adare sec Ltd | £302,199.76 |
| Albacore | £293,524.23 |
| Edge Testing Solutions | £290,880.02 |
| Quorum Network Resources Ltd | £279,750.00 |
| Spring Technology Staffing Services | £270,615.60 |
| Page Bros | £260,870.64 |
| SAS Software Ltd | £223,994.40 |
| Ashbrook Research & Consultancy | £214,837.84 |
| Civic Computing | £201,173.88 |
| Atos IT Services UK Ltd | £196,198.02 |
| APAM Ltd | £195,411.31 |
| SoftwareONE UK Ltd | £166,323.88 |
| Brodies LLP | £164,641.82 |
| Mitie Security Ltd | £152,753.62 |
| Everything Everywhere Ltd | £138,188.76 |

| Supplier | Amount |
|--|---------------|
| Tron Systems Ltd | £136,368.00 |
| FES FM Ltd | £133,352.17 |
| NCC Group | £128,067.60 |
| Clyde Paper and Print | £116,643.98 |
| Hays Specialist Recruitment Ltd | £114,921.83 |
| ExecSpace Ltd | £113,273.80 |
| Corporate Travel Management (North of England) Ltd | £111,222.40 |
| Absoft Ltd | £110,832.00 |
| Azets Ltd | £99,531.12 |
| EDF Energy Ltd | £98,702.21 |
| Open Text UK Ltd | £95,285.12 |
| ASA International Ltd | £91,289.10 |
| Driver & Vehicle Standards Agency | £90,500.00 |
| Qualitest Group UK Ltd | £89,010.22 |
| Whitespace Scotland Ltd | £86,748.12 |
| Newslink Scotland Ltd | £86,232.00 |
| The Big Partnership Ltd | £82,949.14 |
| Parity Resources Ltd | £80,618.11 |
| Portico Consulting Ltd | £72,207.00 |
| China-Britain Business Council | £70,330.43 |
| TIBCO Software (Ireland) Ltd | £67,740.07 |
| Xerox (UK) Ltd | £65,575.46 |
| Gartner UK Ltd | £65,400.00 |
| Audit Scotland | £64,190.00 |
| Joint Council for Qualifications | £64,069.05 |
| Pertemps Ltd | £59,361.79 |
| Parcelforce | £57,561.00 |
| Xerox Finance Ltd | £53,790.60 |
| Lockton Companies LLP | £53,740.03 |
| Cogent SSC Ltd | £50,000.00 |