Procurement Annual Report

Financial year 2021–22

Contents

SQA Procurement Annual Report

1 Foreword

We are pleased to present the SQA Procurement Annual Report for 2021–22 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 £1.22m 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.

2 Background

During 2021–22 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 Procurement and each business area and removed risks of missing key dates.

In 2021–22, SQA spent £16.155m on goods and services with more than 340 suppliers.

Directorate spend is detailed in table 1 below.

Table 1: Spend by directorate in 2021–22

Directorate	% Figure	Spend
Business Development	5%	£800,918.53
Business Systems	60%	£9,671,265.54
Communications	3%	£519,669.06
Corporate Office	1%	£161,414.72
Finance & Corporate Services	3%	£422,391.54
Operations	3%	£531,808.33
People	21%	£3,427,872.94
Policy, Analysis and Standards	2%	£354,447.89
Qualifications	2%	£265,481.76
		£16,155,270.32

Appendix 1 provides a breakdown of spend by supplier where the total spend is more than £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
♦ a programme of tendering to support SQA delivery
♦ implementing structured stakeholder engagement meetings

All objectives identified above have been completed or 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 to maximise economies of scale. Some 60% 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 end users manage the day-to-day oversight and operation of the contracts, with Procurement 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 Procurement. The Procurement Team highlights any supplier issues and there is discussion of 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 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.

Savings

The reported savings for this period are approx. £1.22m, which is inclusive of SQA's contributed savings and Procurement Scotland's reported savings.

This equates to 5.98% savings against the procurement-related expenditure for 2021–22.

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.

During this period, all Procurement Team staff attended data skills training, data governance training, CCS webinars and equalities impact assessment sessions.

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

During the period 2021–22, SQA continued to support the two contracts awarded to supported businesses. The spend was reduced due to the impact of COVID-19 on SQA's operations.

SQA proactively encourages suppliers to pay a 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 2021–22, 29 contracts were tendered or awarded.

Procedure	No. of contracts	Estimated contract value
Regulated contracts	12	£4,397,457.72
Unregulated contracts	17	£627,670,38

Compliance

During 2021–22, 100% of the regulated contracts awarded for SQA core activities were compliant with regulations and no challenges were raised against the awarding of contracts.

Fraud

There was no fraudulent activity linked to the procurement function during the period April 2021 until March 2022.

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 (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 September 2023 and March 2024.

Appendix 1

Supplier	Total spend
Softcat PLC	£1,289,447.79
Rawi & Co Associates Ltd	£1,038,064.80
Harvey Nash PLC	£980,830.40
R M Education PLC	£828,000.00
Version 1 Limited	£778,326.66
Ivanti UK Limited	£726,111.87
Lorien Resourcing Limited	£656,344.52
Edge Testing Solutions	£630,385.20
Royal Mail	£442,786.72
Capita Business Services Ltd	£398,794.13
ASA International Ltd	£382,289.34
BTL Group Ltd	£376,500.00
Agilisys Limited	£336,017.48
Venesky-Brown Recruitment Ltd	£315,452.70
Brodies LLP	£217,112.60
Ashbrook Research & Consultancy	£211,232.77
Civic Computing	£197,990.28
Atos IT Services UK Ltd	£189,314.31
Spring Technology Staffing Services	£185,261.40
NCC Group	£183,111.60
Pertemps Ltd	£165,038.00
Egton Medical Information Services	£161,661.79
Pulsant (South Gyle) Limited	£159,618.94
APAM Ltd	£158,650.61
ID Bureau Services	£155,670.98
Vodafone Corporate Limited	£151,707.54
ExecSpace Ltd	£140,322.09
Senator International Ltd	£137,760.86
Gartner UK Limited	£134,640.00
Mitie Security Ltd	£128,928.99
GS Sundry Supplier	£125,110.43
Adare SEC Limited	£124,337.61
Page Bros	£123,689.04
Xerox (UK) Ltd	£114,644.97
Albacore	£108,756.95
SAS Software Ltd	£106,516.80
Qualitest Group UK Ltd	£101,503.74
Clyde Paper and Print	£100,263.36
Azets Ltd	£95,397.12
Testing Performance Ltd	£95,223.78
EDF Energy Limited	£92,199.91
TMP UK Limited	£88,700.94
Joint Council for Qualifications	£82,816.50
HP Inc UK Limited	£81,481.68

Supplier	Total spend
Parcelforce	£78,859.19
Portico Consulting Limited	£77,478.00
Cogent Skills Limited	£70,000.00
China-Britain Business Council	£68,559.68
City Sprint	£68,533.52
Sterling Solutions Ltd	£67,355.39
Corporate Travel Management (North of England) Limited	£66,980.22
J Thomson Colour Printers Ltd	£66,638.48
Tibco Software (Ire) Ltd	£61,408.00
Tron Systems Ltd	£56,898.00
Fujitsu Services	£54,993.20
FES FM Ltd	£54,842.60
The Big Partnership Ltd	£52,644.00
Lockton Companies LLP	£52,303.06
Newslink Scotland Ltd	£50,896.00