

ANNUAL PROCUREMENT REPORT

FOR THE YEAR ENDED 31 JULY 2019

Scottish Charity Number SC 013781

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Robert Gordon University - Annual Procurement Report (APR) 2018-19

Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) required any public organisation which has an estimated annual regulated spend of £5 million or more to develop a procurement strategy and then review it annually. This requirement took effect from 31 December 2016. Organisations (including HE and FE institutions) required to develop and publish a procurement strategy were also required to publish an APR, reflecting on the relevant reporting period of the procurement strategy.

This is the 2nd APR that RGU has produced - it covers the period of 1 August 2018 to 31 July 2019 and addresses performance and achievements in delivering the Robert Gordon University organisational procurement strategy.

The development of the procurement strategy was the outcome of consultation and discussion with internal and external stakeholders who have an interest in RGU's approach to procurement and its impact. Stakeholder engagement will also feature in the annual assessments of the achievement of regulatory compliance, strategic objectives of the University, value for money [defined as the best balance of cost, quality and sustainability] and delivery against RGU's broader aims and objectives, in line with [Scotland's National Outcomes](#). This process of review and reporting will inform any adjustments to the procurement strategy deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which the University may need to adjust.

RGU has analysed third party expenditure and has identified that over the period covered by this report the following activity has occurred:

- EU regulated procurements [goods and services worth more than £181,302; works worth more than £4,551,413] amounted to £11,604,802. There were 9 such procurements completed¹.
- Lower value regulated procurements' [goods and services worth more than £50,000, works worth more than £2 million] amounted to £1,661,645. There were 18 such procurements completed.

More detailed information on the regulated procurements is provided in Sections 1 and 2 and in Appendix A of this report.

RGU had around 1150 active suppliers with whom the University did business in the reporting period and the total procurement expenditure was almost £19.5m in 2018-19 - £12.1m of regulated expenditure and £7.4m on non-regulated.

The University has been optimising use of national, sectoral, local or regional C1 collaborative contracts and frameworks. As well as bringing leverage based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly. 35.2% of the University spend went through collaborative agreements.

¹ Completed when the award notice is published or where the procurement process otherwise comes to an end - covers contracts and framework agreements

This report comprises six sections, the first five cover mandatory reporting with the sixth discretionary.

- Section 1: Summary of Regulated Procurements Completed
- Section 2: Review of Regulated Procurement Compliance
- Section 3: Community Benefit Summary
- Section 4: Supported Businesses Summary
- Section 5: Future Regulated Procurements Summary
- Section 6: Other Content for Consideration

MANDATORY

Report Approved November 2019

By [Michael McCall/Vicki Nairn](#)

Signed

Position Finance Director

Section 1: Summary of Regulated Procurements Completed

RGU strongly believes in conducting its procurements in an open and inclusive manner with procurement objectives aligned to the University's Strategic Plan.

The detailed summary of regulated procurements completed is set out in Appendix A. That information, coupled with the publication of the institutional [Contracts Register](#) and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete visibility of the University's procurement activity over the reporting period.

In Appendix A, information is set out to show lower value regulated procurements completed and EU regulated procurements completed, and collaborative contracts are distinguished from institutional ones. For each completed regulated procurement the information provided shows:

- the subject matter
- the name of the supplier
- the date of award
- collaborative or institution owned
- the start date
- the end date provided for in the contract or a description of the circumstances in which the contract will end.
- estimated value of the contract – total over contract period
- SME status of the supplier, and whether it is a supported business

Section 2: Review of Regulated Procurement Compliance

Where appropriate, RGU has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money (the best balance of cost, quality and sustainability).

In making its regulated procurements every care has been taken to ensure that the University awards the business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business.

In the period covered by this report the University has conducted all its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

Successful delivery against the procurement strategy objectives is part of a customer valued, continual improvement process (CIP) that seeks incremental improvements to process and outcomes over time.

The institutional CIP also aims to link in to the Scottish Government Procurement & Commercial Improvement Programme (PCIP). The PCIP is a useful tool through which the University is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented. A PCIP assessment of RGU was conducted in June 2019 and the institution scored within the M2 band (which is the second highest level of conformance), moving from a score of 57% in the 2016 PCIP Assessment to 65% in 2019. This is a 14% improvement with further improvement detailed in the report which is anticipated will take the University comfortably into the highest capability tier by the time of the next formal assessment. This was considered good progress given the available resource and other institutional restructuring priorities.

See the table overleaf matching procurement strategy statements to annual reporting requirements – the statements provided follow a summary review of strategy compliance, which meets the requirements of the Act and reflects our performance on helping to achieve our own corporate and strategic aims and objectives.

RGU Procurement Strategy statement	Annual Report commentary on strategy delivery/compliance
<p>To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the University.</p>	<p>Both the University’s Procurement Strategy and Procurement Policy & Procedures underwent significant revision and update as a result of legislative changes to Procurement in 2016. This legislative framework is coupled with a drive by the Scottish Government as to how our procurement processes may be used to support wider public policy strategic aims and desired outcomes, in what is known as the ‘Scottish Model of Procurement’. Care was also taken to ensure that procurement operations chimed with and supported the University’s overall strategic objectives.</p> <p>The revised Procurement Strategy and Procurement Policy documents were approved by the Finance and General Purposes Committee and subsequently by the Board of Governors in late 2016, and were shared with key internal stakeholders and end users.</p> <p>It is hoped that use of these will help to deliver innovation, and to improve skills and competencies in securing the most appropriate procurement routes to market that yield best value outcomes consistent with the guidelines set out in the Scottish Procurement Journey.</p>
<p>To develop policies and procedures that are based on national and sectoral strategies and policies, as promoted by Scottish Procurement and APUC.</p>	<p>The aims of the Policy & Procedures are to deliver maximum value through fair, efficient and effective purchasing processes, and to ensure compliance with EU and Scottish Procurement regulations.</p> <p>Procurement activities follow the guidelines set out in the Scottish Government’s Procurement Journey. This helps to manage the expectations of stakeholders, customers and suppliers alike and facilitates best practice and consistency with what other organisations do across the Scottish public sector.</p> <p>Work began in 18-19 to review the RGU Policy & Procedure, with a view to formally updating these in early 2020. A new ‘No PO, No Payment’ policy was also worked on, with a launch date of October 2019 - this is to ensure that all supplier invoices received are as a result of a prior, correctly approved purchase order.</p>
<p>To ensure that the most appropriate, efficient and effective procurement systems and processes are utilised.</p>	<p>The Procurement team continue to support and develop the PECOS purchase ordering system, which has been in use across the University since 2009. An online training module is available for RGU buyers, this was developed with the input of the RGU team. In 2018-19, the number of purchase orders raised on PECOS was 7,635 (cf. 8,916 in 2017-18).</p>

	<p>In 2018-19 the University's spend via purchasing cards was £919,806 (cf. £957,518 in 2017-18). This was comprised of 9,953 transactions (cf. 9,381 in 2017-18). The individual transaction limit of University cards is £1000, which aligns with the threshold requirement for 1 quotation.</p> <p>RGU Procurement utilises the Public Contracts Scotland (PCS) web portal to facilitate electronic advertising of all contract opportunities. It provides valuable free contract information to suppliers and supports the Public Sector in achieving a more transparent tendering process and adhering to EU rules.</p> <p>The PCS-T module is also used, this is a website which provides a simple, secure and efficient means for managing all tendering activities, reducing the time and effort required for buyers and providing suppliers with instant access to supporting documentation.</p>
<p>To analyse the University's non-staff expenditure and apply appropriate measures to identify contract opportunities and deliver value for money.</p>	<p>An annual spend analysis exercise is carried out with Spikes Cavell (contracted by the Scottish Government to perform this service for the entire Scottish public sector) to determine and categorise our core trade spend. This is defined as spend on goods, services or works on terms and conditions of supply that can be influenced by the purchaser in negotiation with the seller, where the annual spend with that supplier is greater than £1000.</p> <p>RGU's core trade spend in 2018-19 was £19.3m, through 759 suppliers (66% of total used). This is the area of spend which the Procurement Department targets with regard to delivering cost savings and best value.</p> <p>The Procurement team carry out a further expenditure segmentation analysis of the data located on the Hub, to identify those recognised areas of spend that are under contract, and those which potentially fall under regulated procurement legislation and require further attention to ensure that a contract is put in place.</p>
<p>To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p>	<p>The engagement with internal and external stakeholders and suppliers provides valuable feedback which informs the University of possible necessary adjustments and improvements to strategy and process.</p> <p>For each procurement, the institution considers the community affected by the resultant contract and ensures that any affected organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other</p>

	<p>similar institutions' needs). Such consultation will always be on a scale and approach relevant to the procurement in question.</p> <p>RGU is a full member of APUC, which is the procurement centre of expertise for Scotland's Universities and Colleges. The institution contributes to sector contracting plans at an annual APUC workshop.</p> <p>The institution actively engages with other bodies through HE and FE specific events, Scottish public-sector events and wider UK HE events. The Procurement Team are also all members of the Procurement and VfM Group of BUFDG which is a valuable networking body engaged in further improvement of University procurement.</p>
<p>To promote the delivery of value for money through good procurement practice and optimal use of available collaboration opportunities.</p>	<p>The best balance of cost, quality and sustainability is consistently used to assess value for money delivered and to identify sensible aggregation opportunities through collaborative contracting.</p> <p>The University sorts regulated procurements into procurement categories. How these goods, services and works are bought - joint purchasing, use of local, regional and national framework agreements, consolidated contracting – is subject to annual review with APUC and, through user consultation, optimal category strategies are agreed, sensible aggregation opportunities are exploited, category and commodity strategies are developed, recorded, signed off and processed.</p> <p>The University Procurement team also partners with University of Aberdeen and NESCOL in local collaborative initiatives (known as C1 contracts) which can include assistance from APUC. In this reporting period, such exercises have covered internal and external audit services, and tax advisory services.</p>
<p>To promote cooperative procurement within the University and contribute to sectoral, regional and national initiatives.</p>	<p>The Procurement Manager takes full advantage of APUC's networking and information gathering opportunities, attends all APUC Heads of Procurement meetings and contributed to the APUC future contract programme by attending contracting priorities workshops in early 2019.</p> <p>APUC and other HE framework agreements continue to be promoted regularly to University buyers. RGU also make use of the Scottish Government Procurement service, and subscribe to a number of national pan public-sector agreements through this route.</p> <p>If there were no suitable agreements amongst these, the UK Government Crown Commercial Services (CCS) framework agreements were explored.</p>

<p>To develop and implement a contract management approach within the University, to ensure that anticipated benefits are delivered and service levels are met.</p>	<p>The Procurement team has put in place a procedure for Contract and Supplier Management across RGU Schools/Departments. Contracts that have high value and/or high risk are managed strategically to ensure effective service delivery.</p> <p>The RGU Estates Department have adopted this procedure as a basis to improve contract management procedures within that Department, following internal audit recommendations.</p>
<p>To work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.</p>	<p>An annual review process is conducted each year with contract managers across RGU to ensure that contracts are meeting requirements and benefits are being realised. 22 strategic contracts were reviewed in late 2018/early 2019, on the basis of evaluation criteria from the Scottish Government Procurement Journey. The response was good and prompt, with very few issues being raised that Procurement were not already aware of, or that weren't already being dealt with by the owner of the Framework.</p> <p>The Procurement Department have quarterly meetings onsite with the APUC Heads of Operational Supply Chains and e-Solutions, to discuss any issues with framework agreements and to maintain currency with the latest developments in collaborative contracting and systems developments.</p> <p>Since May 2017, Estates have also been holding regular account meetings with the relevant APUC category manager. This level of contact leads to more efficient contract management of framework agreements and increases access and visibility to the frameworks for the Estates staff. This approach is also due to be introduced into our IT Services Department early in 2020.</p>
<p>To embed sound ethical, social and environmental policies within the Institution's procurement function</p>	<p>Procedures are in place to ensure that consideration of environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning stage.</p> <p>RGU Procurement utilise sectoral tools available to the University to assist with this process, including Prioritisation toolkit, APUC's Supply Chain Code of Conduct, and the APUC Sustain supply chain sustainability web portal (a central hub where all our sector suppliers can complete and store sustainability compliance data).</p> <p>Procedures are also in place to ensure that regulated procurements are only awarded to businesses that are capable, reliable and meet high ethical standards and values in the conduct of their business. The University uses the European Single Procurement Document (ESPD) as a standard form in all</p>

	<p>its regulated procurements to allow bidders to self-declare that they meet selection and exclusion criteria.</p>
<p>To comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.</p>	<p>RGU is committed to contracting only with suppliers that comply with all appropriate and relevant legislation. Where appropriate, and on a contract by contract basis, the University will assess the legislation applicable to a procurement and take steps to ensure bidders comply with it e.g. Health and Safety, Late Payment legislation.</p> <p>Where relevant and proportionate the Living Wage and fair work practices of suppliers are promoted in tender documentation.</p> <p>The University complies with its duties under the Modern Slavery Act.</p>
<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners.</p>	<p>The defined procurement process is managed through a professionally qualified procurement team with access to competency based training, skills development programmes and career development opportunities. Devolved procurement competencies are assessed across the institution to secure optimum value delivery while managing supply side risks and opportunities.</p> <p>Post procurement reviews are carried out to check that tendering outcomes are delivering against category strategies/business case objectives. These are in turn consolidated by category based contract and supplier management routines to monitor performance and introduce any improvements required.</p>
<p>To ensure that all staff involved in procurement continue to improve knowledge, competence and skills relevant to their role.</p>	<p>All three members of the central team were enrolled on the Chartered Institute of Procurement & Supply professional development programme, with a view to attaining MCIPS accreditation. 50% of the cost of these courses is funded by the HE/FE Procurement Development Fund, managed by APUC (Advanced Procurement for Universities and Colleges) Ltd. It is worth noting here that the University Vice Principal of Corporate Operations (who has responsibility for Procurement) is a Fellow of CIPS.</p> <p>A Procurement induction module has been developed by the central team, and this is included in the HR induction programme for all new University staff who have some procurement role in their job description.</p>

RGU has procurement process and sign off arrangements that are consistent with the guidelines set out in the Scottish Government's Procurement Journey and that have met the objectives and obligations set out immediately above.

Section 3: Community Benefit Summary

In accordance with the relevant legislation, for every procurement over £4m, RGU considers how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with achieving sustainability in contracts activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included in regulated procurements valued at below £4m.

The general University policy on identifying community benefit requirements is to conduct risk and opportunities assessments through stakeholder consultation and engagement – on a case-by-case basis the question is asked, ‘could a community benefit clause be usefully included’? Where relevant and proportionate to the subject matter of the procurement, the requirement is then built into the procurement specification and into the eventual conditions of contract performance.

Where applicable, as part of the tendering process, suppliers are invited to describe their approach to delivering community benefits or achieving social value through a contract. Relevant community benefits are cited such as:

- providing ‘upskilling’ opportunities (e.g. Toolbox talks) with students and staff,
- offering advice and assistance on the best practice methodology,
- employment, student work experience and vocational training opportunities,
- apprenticeships,
- local subcontractor opportunities available to SMEs, 3rd sector and supported businesses,
- direct involvement in community based schemes or programmes,
- equality and diversity initiatives,
- supply-chain development activity,
- educational support initiatives,
- to minimise negative environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

Tenderers are invited to describe how such benefits will be successfully delivered through the contract and promoted to contract users.

During the reporting period RGU has commenced one regulated procurement contract over £4 million in value – for the provision of Nursery Services at its Garthdee Campus. The community benefits realised are anticipated to be:

- **Apprenticeships and Work Experience** - embracing the Aberlour Training Skills for Work initiative, which supports and guides students from local schools into work placements.
- **Bright Horizons Foundation for Children** - creating socially responsible nurseries in locations where families, communities and employers will benefit from the services provided and the ethos adopted in taking on responsibility to care for and educate children in a safe, secure and stimulating way.
- **Bright Spaces** – the Nursery teams will work with a local or national charity to support a local refuge or homeless shelter and create a Bright Space - an area where disadvantaged children can play safely, learn and have fun.
- **Community Champion Awards** - which recognise those who make community involvement a part of their lives. The Nursery provider encourages staff, suppliers and clients to support the Foundation by volunteering in their communities, and fundraising for the Foundation.
- **The Bright Horizons Diversity Council** – which brings together people from across the business to help review, reflect and identify areas of focus for work on diversity, inclusion and equality. The Council spearheaded the provider’s work with the National Centre for Diversity working towards the Investors in Diversity Standard.
- **Minimising Negative Environmental Impacts** - Bright Horizons is committed to meeting the needs of children in an environmentally sound and sustainable manner, by seeking continuous improvement in environmental performance throughout all activities. Their environmental policy is communicated to all staff who are encouraged to consider the environmental impact of their activities, and to encourage the children in their care to be environmentally aware.

Section 4: Supported Business

Higher value, regulated procurements (between £50k and OJEU threshold and those equal to and above the OJEU thresholds) are conducted in line with Routes 2 and 3 respectively of the Procurement Journey. Both Routes 2 and 3 mandate the use of the European Single Procurement Document (ESPD (Scotland)). The ESPD covers exclusion, selection and award criteria and includes questions relating to companies self-certifying themselves in terms of size (micro, small or medium), or whether they are supported businesses.

The University reviews each procurement to determine whether it could be fulfilled by a Supported Business, whilst remaining compliant with EU and Scottish Procurement Legislation and ensuring value for money for the institution (using the only Supported Business [register](#) currently available and published by Ready for Business).

The University did not reserve any contracts for supported businesses in this period, however orders were placed for mattresses with Palatine Beds (a supported factory) at a value of £16,665.

Section 5: Future Regulated Procurements

RGU is keen to encourage competition by promoting optimal participation in its procurement process and achieve better value for money in its procurements. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two financial years after the period covered by this report.

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about providing details of actual requirements. Over a forecast period of two years it is very probable that circumstances and priorities will change so the list of projected individual regulated procurement exercises outlined in Appendix D should be viewed with this caveat in mind.

The information provided in Appendix D covers:

- the subject matter of the anticipated regulated procurement
- contract category A, B, C or C1
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start and end date
- the estimated value of the contract.

Section 6: Other Content for Consideration

Robert Gordon University operates a part-centralised/part-devolved procurement function. The central team of three is responsible for managing all 'influenceable' non-pay spend (approx. £19.5m revenue in 2018-19 – calculated as non-pay spend minus out of scope miscellaneous spend), whilst devolved activity is based around a Procurement Network of specific School/Department staff, who regulate local purchasing operations and activities in line with central Procurement policy.

Collaborative Consortia Spend through APUC, Scottish Govt, CCS, other framework suppliers and Aberdeen Area partnership

	13-14	14-15	15-16	16-17	17-18	18-19
Annual spend with collaborative agreement suppliers	£7.4m	£7.1m	£7.1m	£7.2m	£6.3m	£6.9m
Above as percentage of total in-scope spend value*	33.3%	33.4%	42.1%	39.4%	33.1%	35.2%

*(University non-pay spend minus out of scope miscellaneous spend and out of scope capital values)

RGU spend with suppliers listed on University Purchasing Consortia and Government Procurement Service framework agreements has increased markedly since 2011-12 when the figure was just under £5m. This increase demonstrates the effectiveness of Procurement's awareness raising strategy since then. A Procurement Stakeholders Communications Plan was developed and launched in April 2016, the aim of this was to further clarify the support that Procurement can offer to internal clients.

The collaborative spend target within APUC's Strategy document has been set for 40%. RGU Procurement has attained this level in recent years, but the figure has dipped slightly in the last couple of years so we shall attempt to address this in our improvement plan for 19-20. It should be noted however that a good number of APUC frameworks relate to facilities management and catering, which are two areas that RGU have outsourced to third-parties and we are therefore not able to utilise APUC's full suite of collaborative agreements. Were RGU in a position to make use of such, then our percentage figure would rise markedly as a result.

Procurement Performance

Each year, an internal analysis is carried out on RGU's top supplier spend list, to identify where Procurement have influenced the selection or use of suppliers (either via tender or use of national contract) and where Procurement procedures have been practised. The percentage of the total which was influenced by the RGU Procurement function for 2018-19 was 87.0 % (cf. 90.0% in 2017-18).

The above figure was derived from influenced spend of £14.95m out of a total of £17.18m. This shows that some £2.2m of spend was not directly influenced by the central Procurement function; however, it should be noted that a good deal of this is made up of spend with suppliers of less than 10K per order - all orders on the PECOS system over 10K are vetted by Procurement to ensure correct RGU Procurement procedures have been followed regards the requirement for Schools and Departments to seek competitive quotations.

The above analysis is conducted on all annual supplier spend above £12.5K, which is useful in identifying where there are potential areas of spend which should be covered as a regulated procurement, but for which there is not yet a contract in place (when considering the potential value of a contract, the threshold covers a 4 year period, therefore a recurring procurement of £12.5K pa equates to a potential £50K contract and will be subject to a regulated procurement exercise). This helps to inform the forward plan for Procurement, to investigate those areas and attempt to set up contracts where appropriate.

The cost of the RGU central Procurement function in 2018-19 was £151K, equivalent to 0.4% of the total non-pay spend £37.7M. The recommended level for an effective Procurement function in the sector is towards 0.9% of non-pay spend, but the level of 3 staff in the central Procurement team is felt to be appropriate for RGU, given its devolved purchasing structure and the amount of our non-pay spend (an alternative measure suggests that there should be 1 FTE Procurement staff for every £10m of non-pay spend, which we are closer to achieving).

Each year APUC reports the savings achieved via collaborative contract usage and undertaking tenders. The total saving that RGU secured through contracts for 2018-19 was £603K (comprising £216K cashable savings versus previous price paid, and £387K non-cash savings versus the estimated market price).

The savings achieved via RGU-ran tenders in 2018-19 was £290K – these are based on the cost of the successful bidder as measured against the mean price of all bids (which provides an approximation of current market value).

	14-15	15-16	16-17	17-18	18-19	TOTAL
Annual savings obtained by using collaborative agreements	£890K	£645K	£919K	£909K	£603K	£3.96M
Annual savings obtained by local RGU-ran tender processes	£714K	£313K	£318K	£332K	£290K	£1.97M
Total Savings	£1.60M	£958K	£1.24M	£1.24M	£893K	£5.93M

The University procurement function was evaluated by APUC in the revised format Procurement & Commercial Improvement Programme (PCIP) in June 2019, and attained a score of 65%, which placed us within the second highest bracket (from a total of twelve).

Compliance

In order to ensure that procedures regarding alternative quotations are being followed, the Procurement Team is included in the approval workflow on our system for all requisitions over £10,000. In addition to this, the University Contracts sign-off procedure requires approval from Procurement for all contracts with a value in excess of £10,000 or a duration of more than 12 months.

Procurement uses APUC’s Hunter database as the contract register for the University, recording the level of annual spend on each contract. The total figure for contracted spend currently sits at £15.3m (from a total non-payroll spend of almost £19.5m) or 78.7%.

RGU Procurement Department KPIs

	14-15 Actual	15-16 Actual	16-17 Actual	17-18 Actual	18-19 Target	18-19 Actual
Annual spend with collaborative agreement suppliers, as a percentage of total in-scope spend value	31.8%	42.1%	39.4%	33.1%	40%	35.2%
Savings obtained via RGU tender exercises (Category C contracts)	£0.71M	£0.31M	£0.32M	£0.33M	£0.4M	£0.29M
Procurement influence in use of top suppliers, as a percentage of spend value	88%	82%	89.3%	90.0%	90%	87%
Contract compliance, as a % of total relevant non-payroll spend	70%	76.7%	81.9%	82.4%	82%	78.7%
PCIP evaluation banding	N/A	9	-	-	9	11
Annual spend through P-Card	£0.92M	£0.83M	£0.89M	£0.96M	£1M	£0.92M

Appendix A List of Regulated Procurements Completed in the Reporting Period 8/18 – 7/19

Category Subject	Supplier name	Date of Award	Owner: Cat A/B or C?	Start Date	End Date	Value over contract period	SME status	Supported Business
Nursery Services	Bright Horizons	01-08-2018	C	01-10-2018	31-09-2023	£4,500,000	No	No
Security Services – Reception Cover	Croma Vigilant	06-07-2018	C	01-08-2018	31-07-2021	£90,856	Yes	No
Security Services – Seasonal Security	Wilson James	06-07-2018	C	01-08-2018	31-07-2021	£52,000	No	No
Cleaning Materials and Disposable Paper Products Call Off	Bunzl Cleaning and Hygiene Supplies	03-04-2018	B	01-08-2018	31-07-2020	£100,000	No	No
Deaf Alerter Fire Safety System Maintenance	Deaf Alerter plc	07-06-2018	C	01-08-2018	31-07-2023	£108,306	Yes	No
Sand Management Network Project Manager	Dunbar Ltd	02-08-2018	C	01-09-2018	31-08-2020	£42,000	Yes	No
Sports Clothing	White Label Sourcing	15-18-2018	C	01-09-2018	31-08-2020	£126,676	Yes	No
Employability and Professional Enrichment Tool	Abintegro	21-09-2018	C	21-09-2018	20-09-2023	£116,039	Yes	No
Childcare Vouchers	Edenred (UK Group) Ltd	05-06-2018	B	01-11-2018	31-10-2019	£168,000	Yes	No
IEEE/IET Electronic Library	Content Online Ltd	27-11-2018	B	30-11-2018	29-11-2023	£535,743	Yes	No
Compendex Database	Elsevier B.V	19-11-2018	B	08-12-2018	07-12-2023	£55,121	No	No
Access to Wiley Journals	Jisc	08-04-2019	B	01-01-2019	31-12-2019	£86,866	Yes	No

Development of Alteryx Workflow for Student Number Forecasting	Billigence Europe Ltd	21-03-2019	C	18-03-2019	17-09-2019	£32,400	Yes	No
Media Strategy, Planning and Buying with SEO and PPC	Penna PLC	02-05-2019	A	01-04-2019	31-03-2022	£726,000	Yes	No
Supply of Electricity (HH, NHH and Domestic)	EDF Energy	01-04-2019	A	01-04-2019	31-03-2022	£4,156,848	No	No
Occupational Health Services for Staff	Alpha Health Services	01-05-2019	C	01-05-2019	30-04-2021	£73,767	Yes	No
Network Essentials for Network Replacement	BT plc	20-05-2019	C	20-05-2019	19-05-2020	£179,630	No	No
External Audit Services	KPMG LLP	15-05-2019	B	11-06-2019	10-06-2022	£275,000	No	No
MyDay Student Portal	Collabco	01-05-2019	C	15-06-2019	14-06-2021	£85,884	Yes	No
Provision of Storage Area Network (SAN)	Phoenix Software Ltd	14-06-2019	A	28-06-2019	27-06-2024	£444,442	Yes	No
Nutanix Hyper Converged Infrastructure Extension	Insight Direct (UK) Ltd	24-06-2019	A	01-07-2019	31-07-2020	£94,842	No	No
Executive Search	Perrett Laver	24-06-2019	C	08-07-2019	07-07-2020	£49,800	Yes	No
Internal Audit Services	PricewaterHouse Coopers	08-05-2019	B	01-08-2019	31-07-2022	£178,458	No	No
Tax Advisory Services	KPMG LLP	15-05-2019	B	01-08-2019	31-07-2022	£21,000	No	No
Back-up and restore (Link IT Solutions)	Dacoll Ltd	28-03-2019	A	29-03-2019	28-03-2024	£199,960	Yes	No
Educational Psychologist	North East Assessment & Psychology services	21-06-2019	C	01-08-2019	31-07-2022	£187,500	Yes	No
Wi-fi refresh	BT/Cisco	31-07-2019	B	01-11-2019	31-10-2022	£579,309	No	No

Appendix B List of Regulated Procurements with Community Benefit Requirements Fulfilled

Category Subject	Supplier name	Start Date	End Date	Contract Value	Benefit Value	Benefit Type
Nursery Services	Bright Horizons	01-10-2018	20-09-2023	£4,500,000	Not determined	Please see information below

The community benefit types to be realised are:

- **Apprenticeships and Work Experience** - embracing the Aberlour Training Skills for Work initiative, which supports and guides students from local schools into work placements.
- **Bright Horizons Foundation for Children** - creating socially responsible nurseries in locations where families, communities and employers will benefit from the services provided and the ethos adopted in taking on responsibility to care for and educate children in a safe, secure and stimulating way.
- **Bright Spaces** – the Nursery teams will work with a local or national charity to support a local refuge or homeless shelter and create a Bright Space - an area where disadvantaged children can play safely, learn and have fun.
- **Community Champion Awards** - which recognise those who make community involvement a part of their lives. The Nursery provider encourages staff, suppliers and clients to support the Foundation by volunteering in their communities, and fundraising for the Foundation.
- **The Bright Horizons Diversity Council** – which brings together people from across the business to help review, reflect and identify areas of focus for work on diversity, inclusion and equality. The Council spearheaded the provider’s work with the National Centre for Diversity working towards the Investors in Diversity Standard.
- **Minimising Negative Environmental Impacts** - Bright Horizons is committed to meeting the needs of children in an environmentally sound and sustainable manner, by seeking continuous improvement in environmental performance throughout all activities. Their environmental policy is communicated to all staff who are encouraged to consider the environmental impact of their activities, and to encourage the children in their care to be environmentally aware.

Appendix C List of Regulated Procurements placed with Supported Businesses

The University did not reserve any contracts for supported businesses in this period, however orders were placed for mattresses with Palatine Beds at a value of £16,665.

Appendix D List of Regulated Procurements planned to commence in next two F/Ys 19/20 & 20/21

Category Subject	Owner: Cat A/B/C or C1?	New, extended or re-let procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Mattresses for Student Accommodation	B	Re-let call off	N/A - framework	01/06/2019	01/08/2019	31/07/2022	£66,000
Desktop Replacement	A	Re-let call off	N/A - framework	01/07/2019	01/08/2019	31/07/2022	£263,820
Storage expansion	A	New	N/A – framework	01/07/2019	01/08/2019	31/07/2022	£225,000
Ultra-high performance liquid chromatography mass spectrometry	B	New	N/A - framework	26/08/2019	26/08/2019	25/08/2020	£294,218
Hard FM Services	C	Re-let	01/05/2019	01/08/2019	01/11/2019	31/10/2024	£3,935,000
Library Self-service equipment	B	New	N/A - framework	31/08/2019	01/10/2019	30/09/2029	£100,000
Temporary Office Support Staff	C or C1	Re-let	01/08/2019	01/11/2019	01/01/2020	31/12/2024	£1,120,000
IP Telephony Upgrade	A	New	N/A – framework	01/02/2020	01/03/2020	28/02/2023	£80,000
Professional Services – Architect, Quantity Surveyor, M&E Eng Consultant	C	Re-let	01/11/2019	01/02/2020	01/03/2020	28/02/2023	£500,000
Water and Waste Water Services	A	Re-let call off	N/A - framework	01/02/2020	01/03/2020	28/02/2024	£750,000
Clinical Skills Phase 2 upgrade	C	New	01/01/2020	01/03/2020	01/03/2020	28/02/2021	£282,349
Femtosecond Laser	C	New	01/01/2020	01/03/2020	01/03/2020	28/02/2021	£38,500
Process Engineering: Control Systems and fault finding	C	New	01/01/2020	01/03/2020	01/03/2020	28/02/2021	£50,546
Audio Visual Equipment , Supply, Installation and Maintenance	C	Re-let	01/11/2019	01/02/2020	02/03/2020	01/03/2025	£120,000
Legal Services	B	Re-let call off	N/A – framework	01/02/2020	02/03/2020	01/03/2024	£540,000

Car Park Management	C	Re-let	01/11/2019	01/03/2020	01/04/2020	31/03/2023	£60,000
Pest Control	C	Re-let	01/12/2019	01/03/2020	17/04/2020	16/04/2023	£11,400
Catering, Hospitality and Vending Services	C	Re-let	01/10/2019	01/04/2020	01/08/2020	31/07/2025	£400,000
Purchasing Card Agreement	B	Re-let call off	N/A - framework	01/04/2020	01/08/2020	31/07/2024	£4,000,000
IT Service Management Software	C	New	01/04/2020	01/07/2020	01/08/2020	31/07/2023	£49,000
External Audit Services for Grant Claims	B	Re-let call off	01/06/2020	01/09/2020	01/10/2020	30/09/2024	£138,800
Rental of MFD across Campus	A	Re-let call off	N/A - framework	01/10/2020	02/01/2021	31/01/2025	£700,000
Payroll Services	C	Re-let	N/A - framework	01/10/2020	01/02/2021	31/01/2025	£80,000
Graduation Photography Services	C	Re-let	N/A - framework	01/09/2020	01/02/2021	31/01/2031	Concession
Graduation Gowns	C	Re-let	N/A - framework	01/09/2020	01/02/2021	31/01/2031	Concession
Travel Management Services	B	Re-let call off	N/A - framework	01/08/2020	01/02/2021	31/01/2023	£1,500,000
Waste Management Services	B	Re-let call off	N/A - framework	01/02/2021	05/04/2021	04/04/2026	£200,000
IT Capital projects	C	Various	Various	TBC	TBC	TBC	£2,465,836

Appendix E - Glossary of Terms

A, B, C and C1 Contracts (Who buys what?)

Category A	Collaborative Contracts available to all public bodies <ul style="list-style-type: none"> • Scottish Procurement
Category B	Collaborative Contracts available to public bodies within a specific sector <ul style="list-style-type: none"> • Scottish Procurement • APUC • Scotland Excel • NHS National Procurement
Category C	Local Contracts for use by individual public bodies
Category C1	Local or regional collaborations between public bodies

APUC's Code of Conduct - APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct with respect to their organisation and their supply chain.

BT14 – Sustainability Based Benefits - sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products
- Enhanced Reputation and/or marketing opportunities
- Community Benefits delivery
- Carbon Reduction

Social, equality and / or environmental improvements

Category Subject is a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits. Community Benefits clauses are requirements which deliver wider benefits in addition to the

core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.

Contracts Registers these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc).

Cost Avoidance The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

EU regulated procurements are those whose values require that they are conducted in compliance with the Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014.

Flexible Framework Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

Hub (Spikes Cavell) - The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to: -

- Identify non-pay spend on external goods and services
- Identify key suppliers and how many transactions are made with each
- Highlight common spend across suppliers and categories
- Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made.

For more information, visit the Scottish Government's [Hub](#) page.

Hunter - Hunter has been developed by the eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

Institutional Dashboard - is the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to institutions' key management reporting data

being recorded centrally through **Hunter**. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and APR Data. The list of reports is planned to expand to cover savings and PCIP dashboard data.

Lotting - the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts

OJEU thresholds OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week - these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive (2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £164,176, for Works Contracts £4,104,394. Public contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2018.

Output Specification requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

Prioritisation - the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

Procurement Journey is public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

Procurement & Commercial Improvement Programme (PCIP) replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

PCS (Public Contracts Scotland) is the national advertising portal used to advertise all public sector goods, services or works contract opportunities.

PCS-Tender is the national eTendering system, and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

Segmentation the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

Small and Medium Sized Enterprises (SMEs) encompass –

Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.

Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.

Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

Social Enterprises are revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

Supply Chain encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supported business means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

Supported employment programme means an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

Sustain - is the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

Sustainable Procurement A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

Third-Party Expenditure is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It is defined as including: goods – tangible products such as stationery, which are often also known as supplies. Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally. Works – including construction works and utilities – energy costs. It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.