



Annual Procurement Report

For the period:
1 August 2021 to 31 July 2022

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Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated¹ spend of £5 million or more to develop and implement a procurement strategy and then review it annually. Organisations (including HE and FE colleges) must also publish an Annual Procurement Report describing the procurement activities carried out during the same period as the procurement strategy update.

This Annual Procurement Report (APR) published by Ayrshire College, covers the period of 1 August 2021 to 31 July 2022. It summaries how the College has performed in its procurement activities and on delivery of its [procurement strategy](#) and wider organisational aims and objectives.

This process of review and reporting advises what adjustments to the Procurement Strategy are necessary to secure future performance improvements and to enable the college to respond to local, national and global economic, political, social, and financial pressures. The review will take account of the key strategic objectives for the next three years identified in the college's [Refresh and Renew Plan 2021-2024](#) that will support economic and social recovery and contribute to achieving Ayrshire College's ambitions.

Ayrshire College has analysed its non-pay expenditure and has identified that over the period covered by this report the following expenditure has occurred:

1. GPA² regulated procurements [goods and services worth more than £189,330; works worth more than £4,733,252]: There was **four** such procurements completed³ during the reporting period, with a combined contract value of **£1,029,360**.
2. Lower value regulated procurements [goods and services worth more than £50,000, works worth more than £2 million]: There were **six** regulated procurements during 2020-21. Of these, **five** were for goods and services completed during the reporting period and had a combined value of **£657,197**. There was **one** works contract procured in 2021-22 which amounted to **£2,038,065**.

Information on the regulated procurements, sorted into procurement categories, is provided in sections 1 and 2. Additional detailed information is also reported in Appendix 1 of this report.

Ayrshire College's total non-salary expenditure for 2021-22 was **£13,202,577** (ex VAT). This is up **17%** on 2020/21. The rise in spend is due to the increase in college activity since the Covid lockdown. Of this the core procurement expenditure, excluding NPD/PFI repayments, was **£5,978,957** with **£4,772,000** of regulated expenditure (recorded on the Contracts Register) and **£1,207,957** of non-regulated spend.

Of the College's regulated procurement spend ex works, **£2,134,149 (43%)** went through collaborative Category A, B and C1 contracts and agreements which is similar to 2020-21.

Ayrshire College had 1,146 active suppliers on its purchase ledger and did business with **681** companies in the reporting period 2021-22, up from **625** in 2020-21. There were **9,396** invoices processed during the year, a slight decrease of **3%** over 2020-21 with **95%** of them being paid within the payment period. Those paid out with the terms was due in the main to queries with invoice and or delivery details.

¹ Regulated' procurements are those with an estimated value equal to or greater than £50k (≥ £12,500 per annum over a four-year contract period excluding VAT) for goods & services or £2,000,000 excluding VAT for a public works contract.

² Public contracts thresholds are revised every 2 years – next due on 01 /01/2024.

³ Deemed completed when the award notice is published or where the procurement process otherwise comes to an end – this assumption covers contracts and framework agreements.

Ayrshire College continues to be committed to supporting local businesses and recognises that by spending with local businesses our requirements for goods and services can enhance lives and bring social benefits beyond the actual amount spent. For this reason, engaging with and buying from local suppliers, wherever possible, remains a key element of our procurement strategy due to the economic, social and environmental benefits it brings. During 2021-22, **257** of the College's suppliers (**22%**) were based in Ayrshire, down from 23% in 2020-21 with **52%** of all suppliers based in Scotland (53% in 2020-21).

SMEs constituted **83%** of the total of active suppliers and **58%** of procurement spend was with SMEs. This is an increase of **54%** from 2020-21.

This report comprises five sections which address mandatory reporting requirements. These five sections are as follows:

- **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**

Report Approved: 8 December 2022

By: Ayrshire College Board of Management

Signed: ... 

Angela Cox

Position: Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

Ayrshire College strives to carry out all its procurements in an open and inclusive manner. The College's procurement objectives are aligned to the College's Strategic Plan and Objectives, in particular the ambition to be an inspirational place of learning which will be achieved "*through strong collaboration and partnership working*"⁴.

The details of regulated procurements completed during the reporting period are set out in **Appendix 1**. That information, coupled with the publication of [Ayrshire College Contracts Register](#) and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete visibility of the College's procurement activity over the reporting period.

In **Appendix 1** the information is set out to show regulated procurements completed and any GPA regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from College ones. For each completed regulated procurement the information provided shows:

- the date of award
- the start date
- the category subject matter
- the name of the supplier
- the status of the supplier, i.e. SME, supported business etc.
- estimated total value of the contract over contract period
- collaborative or College owned
- the end date provided for in the contract or a description of the circumstances in which the contract will end.

⁴ [Ayrshire College Statement of Ambition 2030](#)

Section 2: Review of Regulated Procurement Compliance

Where appropriate, Ayrshire College has made use of national and sector collaborative contracts put in place by Scottish Public Sector Procurement and APUC. These are used to achieve improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money being the best balance of cost, quality and sustainability.

In making its regulated procurements every care has been taken to ensure that the College 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 College has conducted all its regulated procurements in compliance with GPA principles of non-discrimination, transparency and fairness.

Procurement activities at Ayrshire College are subject to regular, independent review against the [Scottish Government Procurement & Commercial Improvement Programme](#) (PCIP). The PCIP is a useful tool through which the University and College sector is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented. The next PCIP audits are due to commence in 2023 and Ayrshire College is aiming to improve or maintain its silver performance band scoring.

Ayrshire Colleges' procurement policy, procedures and sign off arrangements are consistent with the guidelines set out in the [Procurement Journey](#). The College has met the objectives and obligations set out in its Procurement Strategy (Table 1).

Table 1 – Ayrshire College's Achievement of Procurement Strategy Objectives

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
<p>To sustain and further develop partnerships within the FE/HE sector, with other publicly funded bodies including the College's community partners, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p>	<p>Early engagement with college internal and external stakeholders is crucial in the procurement journey of the College. Both formal and informal meetings between suppliers and the college increases understanding of the college needs and requirements and also of the issues facing the supply chain following the Covid pandemic and more recently the war in Ukraine. Information on potential supply chain issues such as the UKUPC Market Insight reports is shared with senior management and contract leads to help inform procurement decisions and actions.</p> <p>With the easing of restrictions more in-person meetings took place during 2021-22. This included a supplier day for the framework suppliers involved in the mini-tender for copying and print. The supplier day took place in all 3 main campuses and included staff from the main department users.</p> <p>The College continues to contribute to sector contracting plans, providing feedback via surveys on frameworks both national and sector when requested.</p> <p>The Procurement Manager is a member of the procurement workstream of the Ayrshire Community Wealth Building, Ayrshire Growth Deal</p>

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	<p>(Ayrshire Growth Deal-Community Wealth Building). As a member the college has committed to using its spend to support a diverse local business base.</p> <p>The College actively engages with other bodies through HE and FE specific events, Scottish public-sector events and training events. For example, these include the Environmental Association for Universities and Colleges (EAUC) Smaller Institutions Sustainability Meetings.</p>
<p>To work with internal curriculum budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective and co-ordinated purchasing effort throughout the College.</p>	<p>The College’s procurement activities directly follow the guidelines set out in the Scottish Procurement Journey. Procurement is proactive in supporting Ayrshire College aim to achieve its objective⁵ ‘of being a place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth... through strong collaboration and partnership working’</p> <p>This is achieved internally by engaging with contract leads/budget holders to understanding the curriculum and support services procurement requirements for the coming period and by reviewing spend to identify non-regulated purchasing and where it could be aggregated or bought under an existing contract or framework. Initial contact and meetings with potential suppliers have been made in anticipation of a review of the college’s ICT future delivery.</p> <p>This is achieved externally by engaging with local companies through direct contact and advertising opportunities on Public Contracts Scotland (PCS) and PCS Quick Quotes and where appropriate lotting contracts, to consider the capacities of local supply chain partners.</p> <p>Procurement also has the responsibility of reviewing and approving all new supplier requests. Procurement helps ensure compliance with regulation; prevent duplication; reduce off-contract spend; and minimise the potential for fraud.</p>
<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.</p>	<p>Delivering the best value for money is a key aim of the College’s Procurement function. By working with users, budget holders and other stakeholders, consideration is given to the balance of quality, whole life costs and sustainability at the start of the procurement process.</p> <p>Strategic contracts are managed with the contract leads and supplier performance assessments are carried out. These help ensure that the balance of price and quality is maintained and improved on throughout the life of the contract, where possible. A review of the continued need for the contract and the performance of the contractor is carried out before any contract is extended or re-tendered.</p>

⁵ [Ayrshire College's Statement of Ambition 2030](#)

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	<p>Procurement carries out monthly analysis of college spend to identify non-regulated purchasing to help eliminate unnecessary or duplicate spend, increase the value benefits of aggregated purchasing and collaborative opportunities, such as joint purchasing with other departments internally and also what can be sourced through the use of local, regional and national framework agreements.</p> <p>APUC's Contract Uptake tool aids the review of the college's spend through collaborative frameworks and contracts. In 2021-22 Ayrshire College used collaborative contracts for £2,134,149 or 43% of its purchases. This is similar to 2020-21. Analysis will be done to see where further collaborative spend can be established.</p> <p>By using sector and national frameworks the College has benefited from access to market leading suppliers, benefits of scale, fixed or sector negotiated pricing as well sustainable procurement outcomes. These benefits are very important given the cost pressures and funding constraints that the sector must operate in. Use of these contracts has resulted in £328,221 of savings or 15% of Category A and B spend.</p>
<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and 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>The Procurement function at Ayrshire College is a shared service with APUC. The procurement staff's performance is reviewed quarterly. The shared service enables the College to access resources such as HE/FE on-line courses, in person courses and webinars organised by APUC, EAUC or the wider public sector including Procurex. Such resources are used to further develop and update procurement knowledge and capability as part of the continuous professional procurement development. They also offer the chance for networking and potential collaborative opportunities.</p> <p>Formal supplier meetings are held over the life of regulated contracts. The frequency is dependent on the value and risks involved. These meetings provide an opportunity for all parties to discuss performance, provide feedback, agree contract variations, and plan for future activities. Contract management guidance, performance scorecard and meeting agenda and minute templates are employed as key tools to ensure that the College's contract leads are equipped to realise the benefits over the life of a contract.</p>
<p>To develop sound and useful procurement management information in order to measure and improve procurement, contract management and supplier performance; in support of corporate planning which is</p>	<p>Data from the College's finance system, from contractors, APUC hub and the Hunter database, is analysed on a quarterly basis. A quarterly procurement report is presented to senior management to provide information on the performance of contracts and also to highlight areas of non-regulated spend which can then be addressed. A quarterly procurement meeting is held between the Procurement Manager and Assistant Principal – Finance, Student Funding and Estates. In addition, the Procurement Manager has internal discussions with contract leads and budget holders regarding future budget spend and capital planning.</p>

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
<p>conducted through a fair and transparent process.</p>	<p>These are used to inform procurement activity in advance and allows early market engagement.</p> <p>The college's procurement policy and procedures reflect the Procurement Journey and all regulated procurements are advertised on PCS and UK Find a Tender. For those procurements below the regulatory thresholds, where appropriate PCS Quick Quotes. Where potential suppliers are not registered on PCS, these suppliers are encouraged to do so with the benefits of being registered and guidance on how to register process provided.</p> <p>The College continues to seek opportunities to encourage SMEs to participate in procurement activity. For example, the College uses PCS and PCS Quick Quotes to promote procurement activity. During the reporting period 70% of regulated contracts were awarded to SMEs. This represents an increase from 60% over awards made to SMEs in 2020-21.</p> <p>The College's contract and supplier management toolkit is used in conjunction with contract leads for key contracts to measure and manage the effectiveness of the contract. Working with contractors to obtain the management information allows key performance indicators to be scored and sharing the results with the contractor helps to develop the relationship between them and the college as well as facilitate where innovation and improvement might be developed within the contract.</p> <p>A review of performance and lessons learned is undertaken prior to the end or extension of a contract for use in improving the re-let or next procurement.</p>
<p>To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty.</p>	<p>The College's procurement arrangements ensure all its regulated procurement comply with its sustainable procurement duties by considering environmental, social and economic issues and benefits is made, where appropriate. This is done on a contract-by-contract basis during the tender planning stage with the College utilising tools including the sustainability test and the whole life cycle impact assessment as part of the contract strategy.</p> <p>APUC's Sustain Supply Chain Code of Conduct is included in all regulated procurements with suppliers being required to confirm they and their supply chains, will adhere to the Code of Conduct. Where relevant, tenderers are asked, as part of the evaluation, to evidence how they monitor their supply chain against the International Labour Organisation (ILO) conventions on social and labour issues. The college is working to identify its own key suppliers that will be encourage to participate in the Ecovadis sustainability assessment scheme.</p> <p>Ayrshire College has published its own Modern Slavery Act Statement and complies with its duties under the Modern Slavery Act by seeking to</p>

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
	<p>only to contract with suppliers that comply with all appropriate and relevant legislation and updated annually.</p> <p>The College, as a Living Wage accredited employer, recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. Where relevant and proportionate, the College includes the fair work first criteria in its procurements.</p> <p>The college sources the majority of its food requirements from AUPC and TUCO frameworks of food to promote the highest standards of animal welfare and together with Ayrshire College Foundation it offers students breakfasts and soup at lunch time with the aim of improving the health, wellbeing and education of communities in the College’s area.</p> <p>In accordance with the government’s policy to embed prompt payment performance in supply chains through procurement processes, the prompt settlement clause in college’s conditions of contract has been updated and tenders require bidders to have systems in place so that their full supply chain is paid on time and in accordance with the terms of the contract. Management of the construction of the Kilwinning hub will assess and monitor payment performance of the contractor throughout the duration of the contract.</p> <p>The college paid over 95% of its invoices within the period and those out with that timescales were delayed due to queries or disputes.</p> <p>The College promotes compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act with the relevant contractors being Site Safety in Procurement (SSIP) scheme members.</p> <p>Although the College has not awarded a contract over £4m in the reporting period it does consider what Community Benefits can be included in regulated procurements. This is considered on a proportionate basis. The Scottish Government supported business framework is always considered when sourcing relevant goods and Third sector bodies and supported businesses are always considered for relevant procurement activities.</p>

Section 3: Community Benefit Summary

In line with the Procurement Reform Act and sustainable Procurement the College's policy on identifying community benefit requirements is to consider on a case by case basis, the relevance and proportionality to the subject matter of the procurement. The requirement is then built into the procurement specification and into the eventual conditions of contract performance.

During the period 1 August 2021 to 31 July 2022 Ayrshire College did not award any contracts over the £4 million regulated procurement contract threshold however it did award the build contract for the Willie Mackie Future Skills Hub in June 2022. This contract will deliver a 10 year sponsorship of £2,000 per year for the Workshop and targeted recruitment and training requirements within the North Ayrshire Area where the campus is located as well as supporting local community projects during 2022-23 and beyond.

In addition to the Future Skills Hub, as part of the tendering process suppliers were invited to describe their approach to delivering community benefits or achieving social value through a contract, where relevant. Relevant community benefits included the following:

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

Section 4: Supported Business Summary

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

In the period 1 August 2021 to 31 July 2022 Ayrshire College did not reserve any contracts for supported businesses. During this period a total of **£34,316** of spend was however placed with the supported business, Hey Girls Ltd, contracted under the period dignity scheme.

Section 5: Future Regulated Procurements Summary

Ayrshire College 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. This list of projected individual regulated procurement exercises is outlined in **Appendix 2**. It is expected that there are circa **14** current contracts that will re-let or considered for extension. These **14** contracts have an estimated contract value of **£2,145,945**.

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 2 should be viewed with this caveat in mind.

The information provided in Appendix 2- list of Future Regulated Procurements covers:

- the subject matter of the anticipated regulated procurement
- 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
- contract category A, B, C or C1.

Appendix 1: List of Regulated Procurements (Compliant and Non-Compliant) Completed in Reporting Period 1 August 2021 to 31 July 2022

Compliant

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date	Value over contract Period ex VAT	SME status	Supported Business
Repair to Fire Doors at Ayr Campus	Fourply	13/09/2021	C	13/09/2021	31/03/2022	£55,528	medium	no
Waste Services	Enva (Scotland) Ltd	15/09/2021	B	01/10/2021	30/09/2024	£225,000	large	no
Supply and Support of Citrix Licences 2021	CDW Ltd	23/09/2021	B	01/10/2021	30/09/2022	£86,849	large	no
Supply of Laptops	XMA Ltd	14/12/2021	A	14/12/2021	30/07/2022	£211,503	large	no
Networking Equipment for Ayr Campus	Desk Top Publishing Micro Systems Ltd	15/12/2021	B	15/12/2021	14/12/2026	£346,257	medium	no
Supply of Mobile Telephony Service	Academia Ltd	17/01/2022	B	18/01/2022	17/01/2025	£142,000	large	no
Supply and Delivery of Biomass Pellets	Balcas Timber Ltd	05/04/2022	B	05/04/2022	04/04/2024	£201,600	large	no
Design, Supply & Installation of Hybrid Teaching Rooms and Audio Visual Equipment	Mediascape Ltd	13/04/2022	B	13/04/2022	12/04/2026	£147,820	small	no
Kilwinning Hub- Build Contract	Ashleigh (Scotland) Ltd	06/06/2022	C	06/06/2022	05/06/2023	£2,038,065	medium	no
Copy and Print Solution	Ricoh UK Ltd	24/6/2022	A	01/07/2022	30/06/2027	£270,000	large	no

Non-Compliant- none

Appendix 2: List of Regulated Procurements planned to commence in next two Financial Years, 2022/23 & 2023/24

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
Similarity Detection Service	B	extended	not applicable- provided within existing contract	13/07/2022	12/08/2022	11/08/2023	£115,284
Supply and Support of Citrix Licences	B	re-let	02/08/2022	01/09/2022	01/10/2022	30/09/2023	£86,849
Provision of ICT Security Professional Services	B	extended	not applicable- provided within existing contract	11/09/2022	11/10/2022	10/10/2023	£60,000
Student Psychological Assessments	C	extended	not applicable- provided within existing contract	03/10/2022	02/11/2022	01/11/2023	£63,000
Supply, Install, Support and Maintain HR and Payroll System	B	re-let	10/09/2022	10/10/2022	09/11/2022	08/11/2025	£140,000
Inter-site WAN Connectivity	B	re-let	25/02/2023	27/03/2023	26/04/2023	25/04/2026	£175,000
Catering Equipment Maintenance & Repair	B	re-let	26/02/2023	28/03/2023	27/04/2023	26/04/2025	£77,598
Legal Services- People Matters	B	re-let	05/03/2023	04/04/2023	04/05/2023	03/05/2025	£60,000
Provision of Staff Mentoring for PDA Teaching Practice Programme	C	extended	not applicable- provided within existing contract	30/05/2023	29/06/2023	28/06/2024	£57,600
Students Record System Support and Maintenance	B	extended	not applicable- provided within existing contract	02/07/2023	01/08/2023	31/07/2024	£497,500
Microsoft Campus Agreement	B	extended	not applicable- provided within existing contract	24/07/2023	23/08/2023	22/08/2024	£242,840
Support and Maintenance of ICT Infrastructure	B	re-let	01/01/2024	31/01/2024	01/03/2024	29/02/2027	£287,474
Supply and Delivery of Biomass Pellets	C	extended	not applicable- provided within existing contract	06/03/2024	05/04/2024	04/04/2025	£201,600
ICT Additional Server Storage Solution	B	re-let	07/02/2024	08/03/2024	07/04/2024	06/04/2027	£81,200

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- Advanced Procurement for Universities and Colleges (APUC Ltd Reg. No. SC314764)

APUC's Sustain Supply 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 Sustain 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 College 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.

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

GPA is an agreement between members of the World Trade Organisation (WTO) to mutually open government procurement markets among the parties included in the agreement.

Government Procurement Agreement (GPA) Procurement Thresholds The Thresholds as set out by the World Trade Organisation. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £189,330, for Works Contracts £4,733,252. Public contracts (GPA) thresholds are revised every 2 years – this is next due on 01/01/2024.

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.

College Dashboard - the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to Colleges' 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 Annual Procurement Report Data. The list of reports is planned to expand to cover savings and Procurement & Commercial Improvement Programme 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

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 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-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.

Supply Chain Management Programme (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 Colleges and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

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.

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, i.e. 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.

[NOTE: reference to contract is also to be construed as meaning a Framework Agreement]

<u>1. Organisation and report details</u>	
a) Contracting Authority Name	Ayrshire College
b) Period of the annual procurement report	01/08/21 to 31/07/22
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<u>2. Summary of Regulated Procurements Completed</u>	
a) Total number of regulated contracts awarded within the report period	10
b) Total value of regulated contracts awarded within the report period	£3,724,622
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	10
i) how many of these unique suppliers are SMEs	4
ii) how many of these unique suppliers how many are Third sector bodies	0
<u>3. Review of Regulated Procurements Compliance</u>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	10
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<u>4. Community Benefit Requirements Summary</u>	
Use of Community Benefit Requirements in Procurement:	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	1

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting authority sets its own priority groups</i>)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	0

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	5
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	2
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	9,396
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	95%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	10

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
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7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£34,316
i) spend within the reporting year on regulated contracts	£34,316
ii) spend within the reporting year on non-regulated contracts	£0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£5,978,957
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£2,901,093
c) Total procurement spend with Third sector bodies during the period covered by the report.	£34,316
d) Percentage of total procurement spend through collaborative contracts.	49%

e) Total targeted cash savings for the period covered by the annual procurement report	Target not set
i) targeted cash savings for Cat A contracts	Target not set
ii) targeted cash savings for Cat B contracts	Target not set
iii) targeted cash savings for Cat C contracts	Target not set

f) Total delivered cash savings for the period covered by the annual procurement report	£328,221
i) delivered cash savings for Cat A contracts	£1,954
ii) delivered cash savings for Cat B contracts	£106,371
iii) delivered cash savings for Cat C contracts	£68,824

g) Total non-cash savings value for the period covered by the annual procurement report	£219,896
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9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

14
£2,145,945