

AUDIT and RISK COMMITTEE

Annual Procurement Report

Ref. 38-22

DATE:	25 April 2022
TITLE OF REPORT:	Procurement Update
AUTHOR AND CONTACT DETAILS	Keith McAllister keith.mcallister@slc.ac.uk
PURPOSE:	To provide the Audit and Risk Committee with a summary of for the year to July 2021.
KEY RECOMMENDATIONS/ DECISIONS:	Committee to note the work undertaken in the year to July 2021.
RISK	<ul style="list-style-type: none"> • That Procurement does not make expected progress • That Procurement is not being undertaken according to expected standards
RELEVANT STRATEGIC AIMS:	<ul style="list-style-type: none"> • Highest quality education and support - providing a high-quality environment for staff and students • Sustainable behaviours – environmentally sustainable behaviours.
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • To note the additional resource that the College has engaged, or is in the process of engaging, to pursue the expediting of outstanding work in the area of Procurement. • To note and approve the Annual Procurement Report on the work undertaken in the year to July 2021. • Note that this Report has also been remitted to the Finance and Resources Committee.

1. INTRODUCTION

- 1.1 The College's Supply Chain Manager is working to ensure that all major contracts are reviewed timeously and the goods and / or services received are procured in line with appropriate current legal requirements and good guidance.
- 1.2 The College is working closely with Advanced Procurement for Universities and Colleges (APUC), the organisation who provide the professional Procurement secondee to the College, to assess the short-term requirements to ensure that the College's Procurement arrangements are up to date and appropriate.
- 1.3 It should also be noted that, following discussions between the College and APUC, it has been agreed to seek additional professional support, to allow the College to escalate its efforts towards its Procurement targets.

2. ANNUAL PROCUREMENT REPORT

- 2.1 The South Lanarkshire College's annual regulated spend falls below £5 million and it is not legally required to publish a Procurement Strategy or Annual Procurement Report however in the interest of transparency, the College has chosen to do so.
- 2.2 The Report details the situation re procurement for the period to 31st July 2021. The Committee is asked to note the additional resources put into Procurement since that time and the improvements that have been made both to processes and procedures, and to the number of contracts that have been put out to tender or referred to a Framework Agreement via APUC.



Audit and Risk Committee
May 2022
Reference 38-22

South Lanarkshire College

Annual Procurement Report

2020-2021

Reporting Period 1st August 2020 – 31st July 2021

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South Lanarkshire College - Annual Procurement Report (APR)

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 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 Annual Procurement Report (APR), reflecting on the relevant reporting period of the Procurement Strategy. South Lanarkshire College's annual regulated spend falls below £5 million and is not legally required to publish a Procurement Strategy or Annual Procurement Report however in the interest of transparency, the College has chosen to do so.

This report covers the period of 1st August 2020 to 31st July 2021 and addresses performance and achievements in delivering South Lanarkshire's organisational Procurement Strategy². The Procurement Strategy was developed in consultation and discussion with the Head of Finance, and internal & external stakeholders who have an interest in the institutional 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 College, value for money [defined as the best balance of cost, quality and sustainability] and delivery against the College'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 on which the College may need to adjust.

South Lanarkshire College has completed 0 regulated contracts and 7 unregulated procurements during the reporting period:

- ☐ Regulated procurements [goods and services worth more than £50,000(excluding VAT); works worth more than £2,000,000 (excluding VAT³) amounted to £0 (excluding VAT). There were 0 such procurements completed⁴.
- ☐ Unregulated procurements [goods and services worth lower than £50,000 (excluding VAT), works worth lower than £2 million (excluding VAT)] amounted to £1,005,291 (excluding VAT). There were 9 such procurements completed.

More detailed information on the regulated and unregulated procurements, sorted into procurement categories, is provided in Sections 2 and 3 and in Annex B of this report.

South Lanarkshire has **286** active suppliers with whom the College did business in the reporting period and the total procurement expenditure excluding VAT was £1,984,583. This comprises of £1,340,553 (67.55%) of regulated expenditure and £644,030 (32.45%) of lower value expenditure.

The College seeks to optimise 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.

58.93% of the total procurement expenditure is through a compliant procurement process. This is made up of approximately **14.30%** of the College's contracted spend which is through local contracts

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 <https://www.south-lanarkshire-college.ac.uk/about-us/procurement/>

³ Current public contracts thresholds

⁴ Completed when the award notice is published or where the procurement process otherwise comes to an end - covers contracts and framework agreements

and approximately **30%** is through Collaborative Framework Agreements. The overall percentage of Collaborative Framework Spend has yet to be quantified by APUC Ltd.

This report comprises seven sections, the first five cover mandatory reporting with the remaining two discretionary.

- Section 1: Compliance to the Strategic Objectives
- Section 2: Summary of Regulated Procurements Completed
- Section 3: Review of Regulated Procurement Compliance
- Section 4: Community Benefit Summary
- Section 5: Supported Business
- Section 6: Future Regulated Procurements
- Section 7: Other Content for Consideration

MANDATORY

Report Approved

By:

Signed:

Position:

Section 1: Compliance to the Strategic Objectives

South Lanarkshire College aims to conduct its procurements in an open and inclusive manner with procurement objectives. Each objective is mapped to the five strategic areas as defined below by the Public Procurement in Scotland (PPS) 2016-2020 work plan⁵, this is owned by the Public Procurement Group (PPG) and the members are of the heads of the four Centres of Expertise along with senior Scottish Government procurement officials. This group sets the direction for public procurement for Scotland, which provides strategic direction, support and monitors progress on the procurement reform agenda:

- ☐ Sustainability;
- ☐ Access;
- ☐ Efficiency and collaboration;
- ☐ Savings and benefits; and
- ☐ Capability.

The objectives in turn were aligned with the Scottish Funding Council's (SFC) Strategic Framework⁶ and as further detailed in Lanarkshire's Regional Outcome Agreement 2019-22⁷. Annex E shows the Strategic Priorities, Strategic Objectives and the College's commentary on compliance to the objectives.

Section 2: Summary of Regulated Procurements Completed

The detailed summary of regulated procurements completed is set out in Annex B. That information, coupled with the publication of the College Contracts Register <https://www.apuc-scot.ac.uk/#!/institution?inst=35> and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete visibility of the College's procurement activity over the reporting period.

Annex B shows the regulated and procurements completed by the College. These are separated into contract categories and distinguish collaborative contracts from College only ones. For each completed procurement the information provided shows:

- ☐ the expected date of notice
- ☐ the date of award
- ☐ the start dates
- ☐ the end dates
- ☐ the category subject matter
- ☐ the name of the supplier
- ☐ estimated value of the contract – total over contract period

In the interest of transparency, we have included unregulated procurements. These are procurements which are low value, below £50k, where Procurement has still influenced the process.

⁵ Currently undergoing review

⁶ <http://www.sfc.ac.uk/about-sfc/strategic-framework/strategic-framework.aspx>

⁷ http://www.sfc.ac.uk/web/FILES/outcome-agreements-1920/Lanarkshire_Outcome_Agreement_2019-20.pdf

Section 3: Review of Regulated Procurement Compliance

Where appropriate, South Lanarkshire College 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 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 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, Operational Procurement Review (OPR), that seeks incremental improvements to procurement processes and outcomes over time. The most recent assessment was carried out in March 2020 and the College received a score of 61%. This is the first year that the OPR has been scored. The intention is to improve upon this score with a target of 67% for the next assessment due in 2023.

Section 4: Community Benefit Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires that for every procurement over £4m, South Lanarkshire College must consider 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, where 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 College 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 applicable to the subject matter of the procurement, the requirement is then built into the procurement specification and/or technical questions and into the eventual conditions of contract performance.

As a small institution, South Lanarkshire College has not tendered for any procurements over £4m in the reporting period (in line with legislation) however has included Community Benefits Clauses in other tenders which fall below the £4m threshold, and aims to include these in all tender offers wherever possible.

Section 5: Supported Business

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. Route 3 mandates the use of the Single Procurement Document (SPD (Scotland)) and it is used as good practice for Route 2. The SPD 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 College reviews each regulated procurement to determine whether it could be fulfilled by a Supported Business, whilst remaining compliant with Scottish Procurement Legislation and ensuring value for money for the institution.

The College did not reserve any contracts for supported businesses in this period.

Section 6 – Future Regulated Procurements

South Lanarkshire 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.

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 Annex D should be viewed with this caveat in mind.

The information provided in Annex D covers:

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

In the interest of transparency, we have included unregulated procurements. These are procurements which are low value, below £50k, where Procurement has still influenced the process.

Section 7 –Other Content for Consideration

Carbon Emissions Reduction

South Lanarkshire College constructed the UK's first BREEAM (2014) Outstanding Building. It will continue to use it to demonstrate to public sector bodies, construction companies, planners, architects, universities, students and other colleges the importance of reducing the carbon footprint of both industrial and domestic buildings, which continue to be a major source of carbon emissions across Scotland and the UK.

- The approach has won multiple awards for innovation and achievement.
- **SLC has reduced its carbon foot-print year by 55% since 2009.**
- The college also has 400 solar panels spread over its three buildings and uses ground source heat pumps reducing dependence on carbon-based fuel.
- All the buildings on South Lanarkshire College's campus now have micro-renewables fitted and these are used to demonstrate how to reduce dependence on fossil fuels through retro-fitting suitable low-carbon technologies.

This is an area of growing interest in the construction industry.

Covid-19 impact

Demand for skills has shifted due to the impact of the pandemic, and SLC continue to invest in developing vocational areas where there is identified demand.

Data from Skills Development Scotland (SDS) job postings highlights that employers within the region are seeking softer skills as well as technical knowledge; requirement for customer service and teamwork/collaboration ability are prominent, as well as job-specific skills.

In addition, Covid-19 and the resulting rise of homeworking has highlighted the importance of digital skills, particularly for those in rural areas for whom opportunity may correspond with connectivity.

Responding to Climate Emergency

SLC contributed actively to the voluntary carbon reporting arrangements in November 2015, and has met ongoing mandatory requirements,

- monitoring their emissions against a historical baseline to track progress towards their 2020 target for carbon reduction.
- Data shows that there has been a general reduction in the estimated tonnes of carbon produced, partly due to positive actions the college is taking combined with the significant national changes in the standard emissions factors used to calculate emissions from the raw data.

SLC has reported a significant reduction in carbon emissions and is on track to meet their 2020 target. As a member of the Environment Association for Universities and Colleges(EAUC), SLC will collaborate with officers over the review and updating of their carbon management plans and the associated annual public-sector reporting requirements on energy use and carbon emissions.

SLC works closely with the Energy Skills Partnership (ESP), which is "a collaboration of Scotland's colleges and industry partners established to increase Scotland's capability and capacity to deliver the right skills for the energy, engineering and construction sectors to meet industry demand" using cross-sectoral funding to invest in pioneering curriculum development.

Sustainability

SLC has an established sustainability group, which meets four times a year and has representation from across the College; is a member of the Alliance for the Sustainability Leadership in Education (EAUC); and attends the EAUC Small Institutions Meetings.

SLC's Sustainability Group co-ordinates, promotes, monitors and reports on sustainability initiatives and activities within the College, which includes sustainability competitions, the development of HR systems, materials donated from local business and the promotion of the use of the VLE.

The five key priorities that the group works towards, and which are included in the Climate Change Report, are:

- Reduce the amount of energy used.
- Increase the amount of waste re-cycled.
- Promote sustainable behaviours to staff and students.
- Encourage more environmentally friendly travel.
- Increase the use of VLE.

SLC's next steps are to further review and update its Climate Change Disruption Plan, and to further develop the embedding of sustainability in the curriculum.

Annex A - Annual Procurement Summary

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

1. Organisation and report details	
a) Contracting Authority Name	South Lanarkshire College
b) Period of the annual procurement report	1 st August 2020- 31 st July 2021
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	No
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	0
b) Total value of regulated contracts awarded within the report period	0
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	0
i) how many of these unique suppliers are SMEs	0
ii) how many of these unique suppliers how many are Third sector bodies	0
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	0
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
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 Requirement	0

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 *(Each contracting authority sets its own priority groups)*

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

0

c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.

0

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.

2711

b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)

96%

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	0
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
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:	£0.00
i) spend within the reporting year on regulated contracts	£0.00
ii) spend within the reporting year on non-regulated contracts	£0.00
8. Spend and Savings Summary	
a) Total procurement spend for the period covered by the annual procurement report.	£1,984,583
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	
c) Total procurement spend with Third sector bodies during the period covered by the report.	£0.00
d) Percentage of total procurement spend through collaborative contracts.	*30%
e) Total targeted cash savings for the period covered by the annual procurement report	0
i) targeted cash savings for Cat A contracts	0
ii) targeted cash savings for Cat B contracts	0
iii) targeted cash savings for Cat C contracts	0

f) Total delivered cash savings for the period covered by the annual procurement report

*£30,938

i) delivered cash savings for Cat A contracts

*£2,601

ii) delivered cash savings for Cat B contracts

*£28,337

iii) delivered cash savings for Cat C contracts

£8,615

g) Total non-cash savings value for the period covered by the annual procurement report

*£73,735.19

9. Future regulated procurements

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

12

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

£2,167,228

*Figure still to be verified by APUC Ltd

Annex B List of Regulated Procurements Completed in the Reporting Period 1/1/20 – 31/7/21

Compliant

Section 1 Regulated

There were no regulated procurements placed in this period

Section 2 Unregulated

The following unregulated contracts were placed where Procurement influenced the expenditure:

Category Subject	Supplier Name	Date of Award	Owner: Cat A, B or C	Start Date	End Date	Extension (months)	Indicative Value over Contract Period	SME Status	Supported Business
Franking Machines	Northern Services	12/10/2020	C – Call Off	12/10/2020	11/10/2024	48	£25,928	N	N
Lift Maintenance Services	Kone	31/05/2021	C – Call Off	31/05/2021	30/05/2025	0	£26,091	N	N
SLC Internal Building Works	GMACK Construction & Development Ltd	18/03/2021	C	19/03/2021	19/07/2021	0	£76,641	N	N
SLC Dilapidation works 20/21 – Contract 1 – M& E Works	PMC Commercial	18/03/2021	C	22/03/2021	21/07/2021	0	£657,016	N	N
Emergency Roof Repair	PMC Commercial Limited		C	12/07/2021	31/07/2021	0	£175,000	N	N
M & E Consultant	Hawthorne Boyle	18/11/2020	C	18/11/2020	17/04/2021	0	£12,250	N	N

Quantity and Building Surveyor	Doig and Smith	18/11/2020	C	18/11/2020	17/04/2021	0	£16,000	N	N
Project Management Services	Gardiner & Theobald	18/11/2020	C	18/11/2020	17/04/2021	0	£13,500	N	N
SLC Mifi Devices and Sims	Vodafone Limited	07/12/2020	C- Call off	09/12/2020	08/12/2021	0	£2,865	N	N
Total							£1,005,291		

*Spend on these contracts was limited due to Covid 19.

**An additional contract, SLC Dilapidation Works – Contract 2 – Car Park repairs was also tendered but not awarded.

Section 3 Non-Compliant Spend

Any procurements carried out this financial year were carried out compliantly however, analysis of 20/21 spend is indicating a number of areas where the historical value over a period of 4 years is above regulated threshold (>£50k). These areas have been prioritised alongside other contracts requiring renewals and incorporated into a long term forward plan.

Category Subject	Supplier Name	Owner Cat A/B or C	Value over Contract Period (4 Years – excl VAT)	Compliance Issue	Proposed Solution
Estates – Mechanical Maintenance	ECG Building Maintenance	C	£256,721	Historical Spend	On Forward Plan.
Estates – Electrical Services	Docherty Electrical Contractors	B	£132,029	Historical Spend	On Forward Plan. Investigate Framework.
Estates - Workshop & Maintenance Supplies (including Engineering)	Style Scotland	C	£115,826	Historical Spend	On Forward Plan
Estates Cleaning Services	Interface Environment Management	C	£113,131	Historical Spend	On Forward Plan.
IT Computer Supplies & Services	SSCL	B	£85,734	Historical Spend	On Forward Plan.
Marketing Advertising	Phoenix Outdoor Advertising Ltd	C	£71,750	Historical Spend	On Forward Plan
Estates - Catering Equipment Services	React Catering Services	B	£70,896	Historical Spend	On Forward Plan. Investigate Framework.
Construction Painting Materials	Dulux Decorators Paints	B	£69,946	Historical Spend	On Forward Plan. Investigate Framework.
Estates Door Maintenance	Dorma UK	B	£61,766	Historical Spend	On Forward Plan. Investigate Framework.
Construction Trade Materials	B&Q	B	£56,528	Historical Spend	On Forward Plan. Investigate Framework.
Estates and Building	MKM Building Supplies Ltd	B	£54,541	Historical Spend	On Forward Plan
Estates Pest Control	Environmental Pest Control	B	£54,492	Historical Spend	On Forward Plan. Investigate Framework.
Janitorial & Domestic Supplies & Services	Cleaning & Wiping Supplies Ltd	B	£54,192	Historical Spend	On Forward Plan
Estates - ID Badges	Digital ID	C	£52,436	Historical Spend	On Forward Plan.
Estates - Window Cleaning	Purewash Window Cleaning	C	£51,603	Historical Spend	On Forward Plan.
Professional and Bought in Services including Consultancy	IHS	C	£52,252	Historical Spend	On Forward Plan
Construction - Wood	Thornbridge Sawmills	B	£50,327	Historical Spend	On Forward Plan. Investigate Framework.

Annex C List of Regulated Procurements with Community Benefit Requirements Fulfilled

The following Community Benefits are being provided via the following Contracts:

Contract Title	Supplier	Community Benefit
Catering Services	Inspire in conjunction with SLC and the Students Association.	As part of the community benefit requirement Inspire provide the following: <ul style="list-style-type: none"> • Free Breakfast for the Students (porridge) • Subsidised Soup and Rolls • Surplus food given away to students at the end of every week.
Hair and Beauty Services	College Kits Direct (Previously Capital Hair & Beauty)	Provides Hair and Beauty Master classes to the students.

The College also benefits from collaborations with industry, receiving state of the art equipment and consumables for use in the learning and teaching process. These benefits will be captured in a separate log to be maintained by the academic areas concerned.

Annex D List of Regulated Procurements planned to commence in next two Financial Years, 2021/22 & 2022/23

Category Subject	Owner: Cat A/B/C or C1	New or re-let procurement	Expected Date of Notice	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period (excl vat)
Finance - Internal Audit Services *	B	Re-let	01/03/2021	08/11/2021	08/11/2021	07/08/2025	£84,000
Estates - Waste Management Services *	B	Re-let	01/05/2021	25/10/2021	17/01/2022	16/01/2025	£157,680
Estates – Mechanical Maintenance	C	New	01/08/2021	01/10/2021	01/11/2021	30/10/2025	£254,000
Estates – Grounds Maintenance *	C	Re-let	31/08/2021	11/01/2022	31/01/2022	30/01/2026	£84,828
SLC Website Services *	C	Re-Let	06/10/2021	19/01/2022	19/01/2022	18/01/2025	£58,860
Construction – Onsite Assessment Services ⁸	C	Re-let	07/10/2021	23/12/2021	03/01/2022	02/12/2025	£568,000
Finance - Catering Services	B	Re-let	15/02/2022	01/06/2022	01/08/2022	31/07/2027	£100,000
Finance – Non-Life Insurance	B	Re-let	01/03/2022	01/07/2022	01/08/2022	31/07/2026	£180,000
Faculty of Care - Beauty Kits	B	Re-let	19/04/2022	01/06/2022	01/08/2022	31/07/2026	£62,000
Campus Wide - Multi-functional Devices	B	Re-let	01/05/2022	01/08/2022	01/10/2022	30/09/2027	£112,000
Finance - Nursery Services	C	Re-let	02/05/2022	31/07/2022	01/08/2022	30/06/2026	£295,000
Estates - Access Control	C	New	16/07/2022	18/10/2022	19/10/2022	20/10/2025	£61,000
Electrical Services	B	New	Emergency Works	28/07/2022	02/05/2022	02/05/2023	£149,860

* Note: Due to the timing of this report, this tender will have been awarded prior to the publication of this document, this will appear in Annex B in the 2021/22 Annual

The following are unregulated contracts. These are below threshold contracts where Procurement shall still influence the procurement process.

Category Subject	Owner: Cat A/B/C or C1	New or re- let procurement	Expected Date of Notice	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period (excl vat)
HR - Recruitment of Temp Staff	B	New	01/06/2021	01/08/2021	01/09/2021	31/08/2023	£30,000
Principalship – HR Legal Services	B	New	01/05/2021	30/06/2021	01/07/2021	30/06/2025	£40,000
IT - Mobile Devices and Sims	B	New	01/10/2021	05/02/2022	05/04/2022	23/04/2024	£32,000
Construction - BPEC Gas Safety Manuals	B	New	01/12/2021	10/02/2022	17/02/2022	16/02/2023	£30,000
Campus Wide – Taxi Services	C1	Re-let	01/02/2022	30/06/2022	01/07/2022	30/06/2026	£24,000
Faculty of Care – Hair Kits	B	Re-let	01/04/2022	01/06/2022	01/08/2022	31/07/2026	£30,000
Faculty of Care – Media Make up Kits	B	Re-let	01/04/2022	01/06/2022	01/08/2022	31/07/2026	£16,000
Building Cladding Survey	B	New	26/04/2022	27/04/2022	02/05/2022	02/08/2022	£5,000
EsXi Servers and Database Server	A	New	10/08/2021	05/01/2022	05/01/2022	04/01/2023	£48,616
Confidential Waste	B	New	25/01/2022	26/01/2022	26/01/2022	25/01/2025	£12,000
Partition Maintenance	C	New	23/02/2022	23/02/2022	23/02/2022	22/02/2025	£9,300
Server Maintenance	A	New	21/09/2021	01/11/2021	01/11/2021	31/10/2022	£526
Lift Shaft Strengthening Works	C	New	21/02/2022	21/02/2022	21/02/2022	20/04/2022	£35,880
Building Cladding Stabilising ⁸	C	New	16/02/2022	16/02/2022	16/02/2022	16/02/2022	£9,445
SLC Branding Services	C	New	06/10/2021	19/01/2022	19/01/2022	18/01/2023	£28,890

The dates and values on this annex are indicative and subject to change.

Annex E Annual Report Commentary on Strategic Statements and Objectives

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Learner Journey

1

- 1.1 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.
- 1.2 To work with internal academic 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 within the College.

Relevant & Responsive Skills Training

2

- 2.1 To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance conducted through fair and transparent process.
- 2.2 To further develop a College wide approach to Procurement which is coordinated, efficient and effective in the achievement of value for money, and which supports the delivery of high quality learning.

Efficient, Strong & Sustainable

3

- 3.1 To embed sound ethical, social and environment policies within the College's procurement function and to comply with the relevant Scottish, UK and EU legislation in performance of the sustainable duty.
- 3.2 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.
- 3.3 To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.

Procurement Strategy Objective	Procurement Strategy Statement	Annual Report Commentary on Strategy Delivery
<p>To work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefits of customers and students.</p>	<p>How the College intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievement of its purposes</p> <p>How the College intends to ensure that, as far as is reasonably practicable, the following payments are made no later than 30 days after the invoice is presented:</p> <ul style="list-style-type: none"> - payments due by the College to a Contractor - payments due by a contractor to a sub-contractor payments due by a sub-contractor to a sub-contractor 	<p>The Supply Chain Manager has worked with the internal stakeholders on all procurements carried out in 2020/2021 to ensure that the specification meets requirements with evaluation criteria and weightings included which align to the College's needs. Key Performance Indicators were included where appropriate. Strategic contracts including Catering Services, Non-Life Insurance and MFDs are all managed against Key Performance Indicators. Other high value expenditure such as Utilities and IT Supplies are managed by the Scottish Government and APUC Ltd to ensure continued value for money.</p> <p>The Colleges standard Terms and Conditions were used in all local tenders. By the supplier signing to the College's terms and conditions, this minimises contractual risk to the College.</p> <p>These terms also include a clause for a minimum payment term of 30 days of which the College must pay the supplier and a clause for the supplier to meet this term with any sub-contractors engaged as part of the contract. The College paid 96% of invoices within 30 days in year 2020/2021.</p>
<p>To work with internal academic 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 function</p>	<p>The College's general policy on the use of Community Benefit requirements</p> <p>The College's general policy on consulting and engaging with those affected by its procurements</p>	<p>The College follows the Scottish Government's Procurement Journey as standard procedure with its own internal governance and threshold levels <£50k for Goods and Services and <£2m for Works.</p> <p>The Supply Chain Manager has worked with Faculties and Depts to implement contracts in specific areas aligned to the College's priorities. These included:</p> <ul style="list-style-type: none"> - SLC Dilapidation Works (Backlog) - Lift Maintenance Services <p>Key Performance Indicators were included in these contracts.</p> <p>Training is provided by APUC Ltd at arranged events and sectoral conferences. The Supply Chain Manager regularly attends training events to develop skills to benefit the service provided to South Lanarkshire College.</p> <p>The Supply Chain Manager attended CMT to emphasise the importance and adherence to the procurement processes. A procurement awareness session was delivered to the college as part of the staff development day.</p>

<p>To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance conducted through fair and transparent process</p>	<p>How the College intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievement of its purposes</p> <p>How the College intends to ensure that its regulated procurements will be carried out in compliance with its duty to treat economic operators equally and without discrimination</p> <p>How the College intends to ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner</p>	<p>The College submits its annual expenditure to APUC Ltd where the data is coded allowing the Supply Chain Manager to analyse the data. This identifies any areas of regulated spend and high-risk areas. The College now has a full set of data over a period of 4 years which provides clarity on areas that require to meet the Procurement Reform Act obligations. Areas of expenditure have been prioritised and are on the Procurement Forward Plan. These procurements shall follow the Scottish Government's Procurement Journey and shall be advertised through PCS with appropriate evaluation criteria and weightings in line with the process carried out for completed procurements in 2020/2021.</p> <p>The College uses the Pecos System for the placing of Purchase Orders. This Supply Chain Manager will undertake a review of Pecos to understand the current usage status with a view to maximising usage within the College.</p> <p>Savings are recorded where the College has used collaborative framework agreements and where savings have been achieved through local tender activity.</p> <p>A public facing, current contracts register where contracts are logged through the Hunter Database is available on SLC's procurement section of the website providing full transparency of the College's contracts.</p>
<p>To further develop a College wide approach to Procurement which is coordinated, efficient and effective in the achievement of value for money, and which supports the delivery of high quality learning</p>	<p>How the College intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievement of its purposes</p>	<p>The College has a Procurement Strategy in place which is currently under review. The College's current procurement procedures are part of the Financial Regulations however the Supply Chain Manager is reviewing these in conjunction with the Finance Manager & Head of Finance with a view to having a separate suite of Procurement Policies, Procedures and Guidance Documents that reflect the Scottish Government Journey.</p> <p>A full expenditure analysis has been conducted to identify regulated spend. Areas of expenditure have been prioritised and are on the Procurement Forward Plan.</p> <p>Regulated procurements were carried out in conjunction with the Supply Chain Manager. Evaluation criteria and a scoring methodology are stated on the Contract Notice and Tender Documents. Evaluations are initially carried out individually by tender panel members then a conclusion reached by consensus. Where appropriate, key performance indicators are included and monitored throughout the contract.</p> <p>The Supply Chain Manager is in the process of developing e-training as well as further development of the Procurement website.</p> <p>All regulated contracts are visible on the College's public facing Contract Register.</p>

<p>To embed sound ethical, social and environment policies within the College's procurement function and to comply with the relevant Scottish, UK and EU legislation in performance of the sustainable duty</p>	<p>How the College intends to ensure that its regulated procurements will be carried out in compliance with the Sustainable Procurement Duty</p> <p>The College's general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements</p> <p>The College's general policy on promoting compliance by contractors and sub-contractors with the Health & Safety at Work Act 1974 and any provision under that Act</p> <p>The College's general policy on the procurement of fairly and ethically traded goods and services</p> <p>The College's general policy on how it intends it approach to regulated procurements involving the provision of food to:</p> <ul style="list-style-type: none"> - improve the health, wellbeing and education of communities in the College's area - promote the highest standards of animal welfare 	<p>SME engagement is imperative to the College and we continue to offer SME support in the tender process. Although limited in 2020/2021, the Supply Chain Manager will continue to attend events to support SMEs providing advice and a key contact for upcoming opportunities.</p> <p>Consideration of environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning stage of a regulated procurement. The College always considers use of a framework in the first instance. Using framework agreements means that where appropriate, these areas have already been considered and assessed as part of the award criteria where relevant.</p> <p>The Sustain Supply Chain Code of Conduct was included in all tenders where the supplier confirmed compliance with a code of conduct covering ethical, social and environmental positive behaviours including areas such as the minimum wage, safety in the workplace and consideration of ethically sourced goods.</p> <p>The College is committed to contracting only with suppliers that comply with all appropriate and relevant legislation. The College's standard terms and conditions were used covering clauses such as discrimination legislation, corporate responsibility and health and safety legislation.</p> <p>Where appropriate, and on a contract by contract basis, the College 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. Where relevant and proportionate the Living Wage and fair work practices of suppliers are promoted in tender documentation with a question on fair work practices included where relevant.</p> <p>The College, through APUC Ltd, is an affiliated member of Electronics Watch, an independent monitoring organisation of the electronics industry which monitors ethical issues in the first, second and third tier supply chains.</p> <p>The College has worked with the Catering Contractor, Inspire Catering, to remove single use plastic products such as containers and cutlery, and a significant reduction in food waste. By offering free porridge (Breakfast), Subsidised Soup and giving away surplus food at the end of every week as mentioned under Community Benefits.</p> <p>Working with the Faculty of Business, a contract was awarded to Brakes through the TUCO Framework Agreement for Grocery and Chilled Food Products. This ensures we are procuring food under the appropriate standards as set out in the framework agreement.</p>
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<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>How the College intends to ensure that its regulated procurements will deliver value for money</p>	<p>The Supply Chain Manager continues to develop relationships with internal and external stakeholders. The Supply Chain Manager has attended Senior Leadership Team (SLT) to emphasise the importance of adherence to the procurement process. Further training and exposure to internal procurement processes for internal stakeholders is required within the College.</p> <p>The Supply Chain Manager has worked with Faculties and Depts to ensure that appropriate evaluation criteria and weightings and where appropriate, key performance indicators were included in procurements completed this year.</p> <p>The College has previously hosted a supplier development day in conjunction with New College Lanarkshire, providing further advice and information to SMEs on the procurement processes the College now follow. We continue to offer support and direction to SMEs as required for specific tenders. The procurement section of the College website provides information for suppliers. This is currently under review.</p> <p>The Supply Chain Manager attends the Procurement Strategy Group for Colleges hosted by APUC Ltd and is a valuable peer network for advice, guidance and information exchange.</p> <p>The Supply Chain Manager is part of the Central and South Regional Team which incorporates 5 Colleges across the Central Scotland Region where an APUC shared service is delivered. Regional Team Meetings are held and facilitated by our Senior Supply Chain Manager responsible for this team. This enables the team to exchange information and discuss regional collaborative opportunities.</p> <p>South Lanarkshire College and New College Lanarkshire work closely to share best practice, align procurement processes and collaborate where possible.</p>
<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities</p>	<p>How the College intends to ensure that its regulated procurements will deliver value for money</p>	<p>The Supply Chain Manager has worked with the internal stakeholders on all procurements carried out in 2020/2021 to ensure that the specification meets requirements with evaluation criteria and weightings included which align to the College's needs. The internal stakeholders have been part of an evaluation panel which contributes to a value for money decision for the College.</p> <p>Through expenditure analysis, the Supply Chain Manager identifies where there is unregulated spend and opportunities for utilising collaborative agreements or placing a local contract. The College seeks to use framework agreements where they deliver value for money.</p> <p>Where a collaborative framework agreement is not available or unsuitable, the College will seek competitive offers via an open tender. Regulated procurements are carried out in conjunction with the Supply Chain Manager. Evaluation criteria including</p>

		<p>price and quality aligned to a scoring methodology are stated on the Contract Notice and Tender Documents. Where relevant, a sustainability test is used to assess the relevance of areas such as environmental impact, fair work, equality and social impact. Evaluations are initially carried out individually by tender panel members then a conclusion reached by consensus.</p> <p>The College works closely with New College Lanarkshire and has collaborated on a Waste Services Contract and a Personal Protection Equipment Framework. The Waste Contract shall be retendered in the coming financial year.</p> <p>The Supply Chain Manager contributes to the Procurement Strategy Group for Colleges which holds an annual Contracting Priorities Workshop where APUC Ltd seek input on future collaborative opportunities across the FE Sector.</p> <p>The College is working to increase its collaborative expenditure on an annual basis.</p>
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South Lanarkshire College has a procurement process and sign off arrangements that are consistent with the guidelines set out in the Procurement Journey. These have met the objectives and obligations set out immediately above.

Annex F – Glossary of Terms

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

Category A Collaborative Contracts available to all public bodies

- Scottish Procurement

Category B Collaborative Contracts available to public bodies within a specific sector

- Scottish Procurement
- APUC Ltd
- Scotland Excel
- NHS National Procurement

Category C Local Contracts for use by individual bodies

Category C1 Local or regional collaborations between public bodies

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.

Centres of Expertise are the procurement support and advisory bodies to the Public Sector. They are: Central Government Procurement, Advanced Procurement for Universities and Colleges (APUC Ltd), NHS National Procurement and Scotland Excel (Local Authority).

Collaborative Procurement is an effective way for more than one College/University, contractor, consultant or supplier to join together to procure works, goods, or services, share expertise, promote efficiency and deliver value for money savings in the form of a contract.

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).

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.

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.

Institution refers to College or University.

Leverage Based Savings - use of economies of scale to secure improved value.

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.

Non-Influenceable Spend – This spend includes goods/services that can only be procured from one source, for example Scottish Qualification Authority.

Non-Pay Influenceable Spend – This is non-payroll spend that the procurement team can influence to Tender for Goods/Services/Works.

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, £189,303, for Works Contracts £4,733,252.

Operational Procurement Review (OPR) – Procurement assessment type for institutions with an annual Procurement spend of less than £2m.

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.

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.

Regulated Procurements are those whose values are greater than £50k for goods and services and greater than £2m for works. They require to be conducted in compliance with the Public Contracts (Scotland) Regulations 2015, the Procurement (Scotland) Regulations 2016 and the Procurement Reform (Scotland) Act 2014.

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.

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.

Sustain Supply Chain 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 Sustain Supply Chain Code of Conduct with respect to their organisation and their 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.

Unregulated Procurements are low value procurements with an estimated total value of less than £50k (ex vat) for goods and services and less than £2m for works. These are conducted in line with the College's internal procurement procedures.