

## Finance and Resources Committee

<b>DATE:</b>	14 <sup>th</sup> August 2021
<b>TITLE OF REPORT:</b>	Procurement Report
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister/ Sue Hampshire keith.mcallister@slc.ac.uk
<b>PURPOSE:</b>	To present the College's quarterly procurement update.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<ul style="list-style-type: none"> <li>To note the quarterly report to the Committee including the work competed and the work ongoing.</li> </ul>
<b>RISK</b>	<p>The main risks are:</p> <ul style="list-style-type: none"> <li>That procurement procedures are not adhered to and the College does not meet its legal requirements</li> <li>Non- compliant procurement activity.</li> <li>That purchasing does not follow the College's procurement procedures and fails to achieve full value for money or to meet acceptable standards</li> <li>That the College is exposed to improper use of its resources</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	Sustainable behaviours - financial sustainability; excellent governance.
<b>SUMMARY OF REPORT:</b>	The College has set in place a review of its Procurement processes, procedures and strategy and will continue to report on progress to the Finance and Resources Committee.

### Overview

South Lanarkshire College is continuing to make progress on updating procurement process and procedures to ensure full compliance.

Procurement is currently working towards refreshing all the procurement procedures, processes and templates and will be delivering training to all staff in due course. At present, the College has a contract with APUC for a 0.5FTE procurement professional. With the additional work identified, including a review of all contracts, this will now be extended again to 0.8FTE for a further 4 months with a possible extension if required.

### Procurement Reporting

The **Procurement Annual Report** (reporting period 01 August 2020 – 31 July 2021) is a work in progress and will be further developed in September once the non-pay information has been collated.

## **Procurement Strategy and Monitoring**

An update to the College's Procurement Strategy covering the period August 2021 to July 2024 is now in draft form and will be the subject of review by College management in late August / early September to ensure transparency, full discussion and "buy in" from all budget holders.

The Strategy document will come to the Finance Committee later in the year.

Procurement training will also be undertaken in due course, allied to the Strategy and to the staff development being planned on the College's purchasing software. Reporting on non-salary spend has been enhanced over the past year with a view to having departmental heads having this information more readily available, and for management scrutiny to be formalised.

## **Scottish Funding Council**

The Scottish Funding Council makes allocations to the sector each year to support either specific Government initiatives, such as digital inclusion, or more general areas of concern, such as capital replacement.

The spend of these monies will go through normal College processes for approval and, in particular, via the newly-formed Finance and Funding Approval Group (FFAG).

The income received in 2020/21 and 2021/22 is as follows:

<b>Description of Capital and Investment Funding Allocation</b>	<b>2020/21</b>	<b>2021/22</b>
Capital funding calculated as a %age of recurrent grant-in-aid, to be used by the College according to its own identified needs	£361k	£344k
To address backlog maintenance, identified via an SFC-commissioned survey (the 2021/22 allocation is Year 4 of a 5-year allocation programme)	£579k	£578k
Funding to support specific COVID-related infrastructure requirements (e.g. to reshape teaching areas and the arrangements required to allow safe working)	£195k	Nil
Funding to support the extension of digital learning and teaching	£70k	£142k

## **Finance and Funding Approval Group (FFAG)**

The Group comprises the Principal, the Depute Principal and the Head of Finance and was formed as a forum for the review and approval of requested spends that fall out-with a budget holder's own revenue budget and the extension of existing service or maintenance contracts.

Additionally, the Group will review major capital or investment spend requests prior to them being referred to the Supply Chain Manager for the initiation of the appropriate procurement process. The Group is also a vehicle for the consideration of major teaching and learning projects.

The Group forms part of the enhanced approach to financial monitoring within the College, adding to the financial sustainability arrangements being put in place.

## Contracts scheduled to be approved by F FAG

Contract	Value	Request
Taxi Services	Cost as incurred per set rate.	Contract expired on 30 June 2021 with 12-month extension still available. Approval to proceed with the extension for this service will be sought.
Website Renewal (Marketing)	£60,000 +VAT	Approval to proceed with this Tender
Branding Service (Marketing)	£30,000 + VAT	Approval to proceed with this Tender
Mechanical Maintenance Contract - Provision of M & E Consultant	£20k	Approval to go out to QQ for M& E Consultant to prepare the Technical Specification on behalf of Estates Services.

## Sustainability/ Carbon Reduction

Sustainability continues to be a key focus in Procurement and opportunities to build sustainability into each contract will continue to be considered. The Supply Chain Manager will be attending the Sustainability Group to obtain information on anything that could be included in future procurement activities and to advise on opportunities for Community Benefit.

Procurement will also ensure that we build carbon reduction into the tendering exercise as it is important to adjust the working practices to enable us to reduce the carbon footprint and also have targets for reducing indirect emissions of greenhouse gases and to report on how we will align spending and use of resources with emissions reduction efforts.

## Awarded Contracts Since Last Report

The Following Contracts have now been placed via tenders and / or extended.

Service	Successful Supplier	Award date	Value	Comments
SLC Dilapidation Works 20/21 – Contract 1	PMC	18/03/2021	£657,016	via Public Contracts Scotland Portal and approved by the Board.
Emergency Remedial Roofing Works	PMC	28/07/2021	£241,850	via Public Contracts Scotland Portal and approved by the Finance Committee.
SLC Internal Building Works	GMACK	18/03/2021	£76,641.93	via Public Contracts Scotland Portal and approved by the Board.
Theatrical & Specialist Make Up (Lot 7) FFE1013-AP	Ellisons	24/03/2021	£7,500	Extended for 12 months – via Framework
Hair & Beauty Products (Lot 1) FFE1013-AP	Ellisons	24/03/2021	£8,000	Extended for 12 months – via Framework
Hair Consumables and Kits (Lot 2) FFE1013-AP	College Kits Direct Ltd	24/03/2021	£7,500	Extended for 12 months – via Framework
Catering Services	Inspire	21/05/2021	Profit Share	Extended for 12 months (30 June 2022) – approved by Principalship
Non- Life Insurance – INS1001 AP	Zurich Municipal	28/06/2021	£65,000	Extended for 12 months via Framework (31 July 2022) Approved by F FAG
Multi-Functional Devices (MFD) (LOT 1) SP-12-008	Capital Document Solutions	02/07/2021	£22,489	Extended for 10 months via Framework (30 July 2022) Approved by F FAG.

## Contracts in Progress

The table below contains projects that currently in progress (highlighted) or will be taken forward in the next 6 to 9 months:

Requirement	Current Supplier	Est Award Date	Value	Improved Efficiency/Benefits	Comments
Photographic Equipment and Consumables	WEX	N/A	£6k p.a.	Potential cost savings	Transfer to existing Framework Agreement – Documents prepared for sign off
Grounds Maintenance	idverde	TBC	£25k p.a.	Potential costs savings, improved quality and agreed contract terms	Open Tender – delayed further due to Emergency Roof works.
Taxi Services	East Kilbride Taxis	TBC	Cost as incurred per set rate	Potential Cost savings	12-month Extension Available
Internal Audit	Azets	Aug 2021	£21k p.a.	Potential cost savings	In the process of being approved.
Waste Management Services	ENVA	Aug 2021	£53k p.a.	Potential costs savings, improved quality and updated contract terms	Collaboration with NCL (in progress)
Mechanical Maintenance	ECG	Nov 2021	Approx £75K p.a.	Potential cost savings	Request to QQ for a M&E Consultant to be put through FFAG.
Professional Services (Project Consultancy)	TBC	Nov 2021	£40k p.a.	Open Tender	Possible Framework Agreement
Trades Framework (in collaboration with NCL)	TBC	April 2022	£50k p.a.	Open Tender	Open Tender expected
Lift Maintenance Services	KONE	Nov 2023	£26k p.a.	Potential cost savings	To be retendered via Framework Agreement.