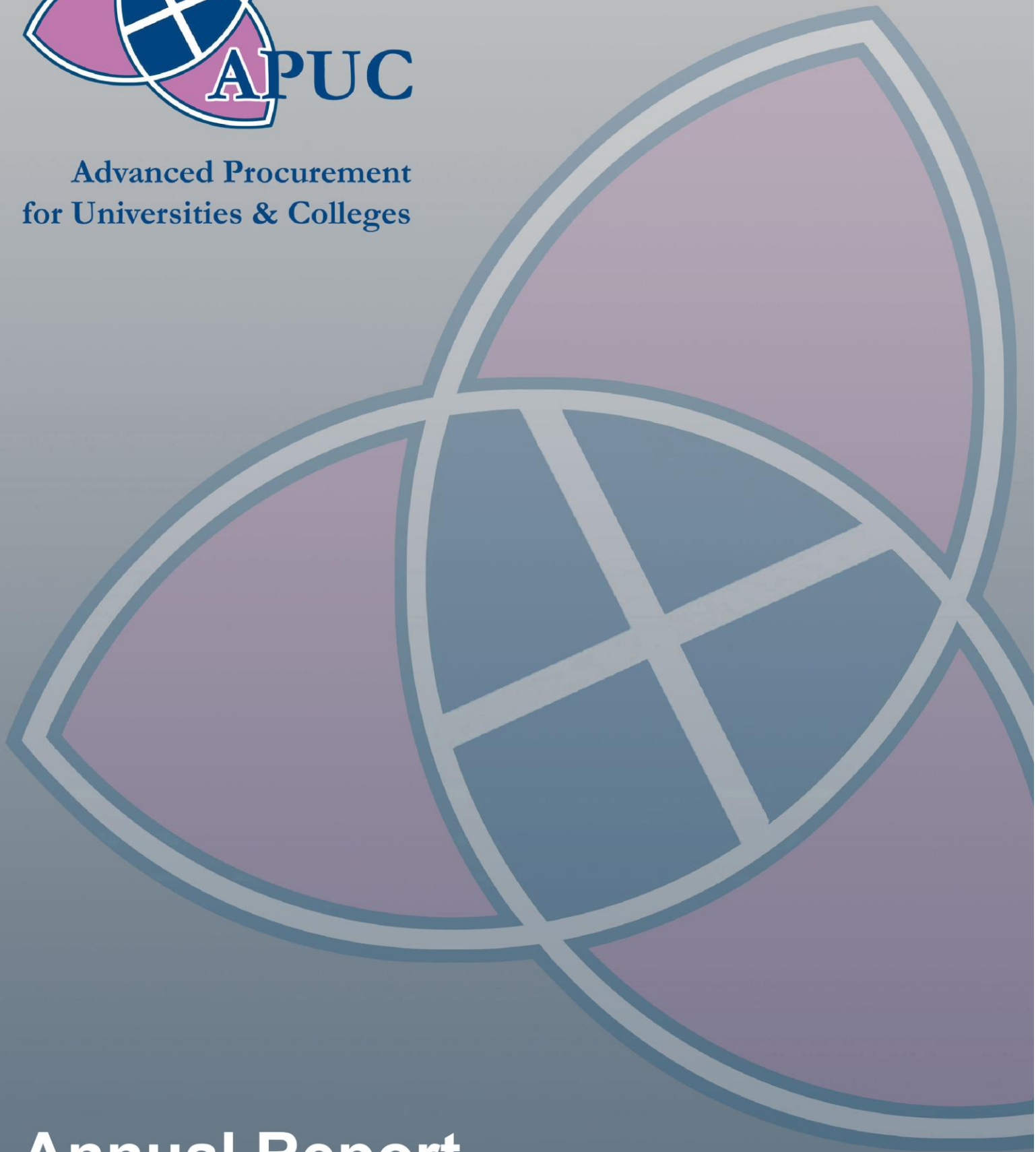


APUC

**Advanced Procurement
for Universities & Colleges**



**Annual Report
2014/15**

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Introduction from Gerry Webber, Chair APUC

On behalf of the Board of APUC Limited, I am delighted to introduce APUC's Annual Report for the year 2014 -15 and my first as Chair of APUC.

This year has again been one of substantial development and change for the sector and APUC, and also another one of significant achievement.

The proportion of sector spend reported during the year going through collaborative agreements is now at a steady state of circa 30% (although we are working with the sector to increase this further) with benefits reported for the year estimated at over £16m from collaborative contracting alone on a "BT1" (generally versus previous price paid) basis. This equates to benefits of circa £27m when measured on a "BT2" basis (against market pricing) – a measure that recognises that contracts are being re-let on terms that retain previous benefits.

APUC continued supporting the newly merged colleges through their transition to establishing procurement procedures and policies, and in having professional procurement staff within colleges, many provided by APUC as a Shared Service.

The Scottish Government consultation on the EU Directives and Reform Act options closed at the end of April 2015. APUC submitted a response on behalf of the sectors. The regulations and guidance that were hoped for in the summer were expected then to be delayed however until October but eventually were rescheduled for early 2016. APUC raised serious concerns over this timing as we believe organisations across the publicly funded sectors would need 6 months to properly prepare for the implementation of the changes. To mitigate as many of the impacts of this as possible, APUC worked with the government over the summer (and thereafter into the 2015/16 year) to obtain a prior understanding of the outcomes in order that we can deliver support / implementation work as early as possible.

The ISSC team completed its landscape review of the sectors and published outcome reports including the 11 priority areas for potential for development. The first pilot shared service is a Moodle shared service to be hosted at Edinburgh Napier University with Edinburgh College planned to be the first to utilise the shared service. The HE/FE Sector Oversight Board met on 6 May 2015 and confirmed the continued funding for the ISSC. UCSS.ac.uk will host a sector Information Services Training Schedule that will have relevant training opportunities available to the sectors in Scotland for training in this area posted on it.

Good progress was maintained in the Procurement Capability Assessment process with 91% (82% and 9%) of institutions now in the Improved Performance and Superior categories.

The Hunter database now has over £5.7b worth of collaborative contract spend recorded and is starting to be used to support the creation of contract registers, a requirement of the new Scottish and EU regulations. The Hunter Remote App was developed to allow it to be quickly and easily deployed to institutions. The Sustain website was launched with Suppliers now being invited to complete a questionnaire and submit evidence to allow monitoring of social responsibility and environmental sustainability in the supply chain.

APUC continues to work closely with its client community to optimise the service that it offers. Angus Warren, the Chief Executive, and senior managers continued with regular stakeholder engagement, and the annual Contracting Priorities Workshop and Strategy Group meetings were all well supported. Planning for a new Procurement Networking Conference was completed and successful events held in September 2014 and June 2015.

APUC has continued to achieve considerable success for the sectors by working closely with its client institutions and, with them, forming a highly focussed collective team. I would like to extend my thanks to all institutional staff involved in procurement activity and to all staff in APUC for this outstanding example of sustained and highly productive collaboration.

I should also like to convey my warm thanks to my colleagues on the APUC Board whose guidance and support for the development of APUC has been, and continues to be, extremely valuable and is much appreciated by the management team.

The 2014-15 Financial Statements and associated reports are available on the [corporate information page](#) on the APUC website.



Summary of key actions and achievements August 2014 – July 2015

Area	Key actions and achievements
Operations	<ul style="list-style-type: none"> • Performance Review and Development process with quarterly reviews now routinely used to measure staff performance against the Strategic Plan Objectives • Institutionally based procurement shared service resources continues to increase in scope • Managed inputs to the consultation phase of the Procurement Reform Bill and achieved some concessions for the sector • Plans were finalised to relocate the servers to an offsite datacentre in early August 2015 to provide a more robust ICT infrastructure.
Client Engagement	<ul style="list-style-type: none"> • Chief Executive continues to meet with all institutions annually and more frequently where appropriate • Client account management model continues to be well received by institutions and is producing impressive results and attracting interest from other sectors • Quarterly Procurement Strategy Group meetings to ensure that APUC's activities are aligned with client expectations and provide forward guidance are well established • Annual Contracting Priorities and Ways of Working Workshop held in January to agree the focus of APUC's activities for the following 18-24 months • Procurement Networking Conference is now a standard event in the APUC calendar – now to be held in May / June each year
Operational Procurement	<ul style="list-style-type: none"> • 168 contracts valued at £358M available to institutions by the end of the academic year • The (part FTE) role of Head of Institutional Procurement Services was established to manage senior stakeholder relationships and lead/support all APUC staff engaged in delivery of procurement services to Universities and Colleges • The percentage of sector spend going through all collaborative agreements in 2014/15 was around 30%. Local / specialist collaborative spend figures (C1) were lower in the reporting year but steps are being taken to exploit that area of opportunity further from the 2015/16 year with resources redirected to provide support to institutions for C1 contracts
eSolutions	<ul style="list-style-type: none"> • All Institutions continued to be supported on the range of eProcurement related solutions • Hunter database continued to be developed and rolled out to institutions for the purpose of creating contracts registers (required under the new Procurement Reform Act) and recording savings. • Supplier MI captured in Hunter exceeds £5bn • PECOS v14 released and PECOS eGateway functionality developed • eInvoicing pilot projects commenced with institutions
Development and Sustainability	<ul style="list-style-type: none"> • Sustain website now in use with the first prioritised suppliers. • Annual review of procurement training and development needs including specific Contract and Supplier Management guidance and training. • Sixth round of Procurement Capability Assessments (PCA) completed with continuing improvements achieved • First set of Management Trainees now employed in the sector and second group of trainees successfully recruited
ISSC	<ul style="list-style-type: none"> • ICT landscape review completed and reports/recommendations published • First pilot shared service scheduled for Moodle eLearning • Funding approved for following year

Highlights of operational and strategic activities August 2014 - July 2015

General

The new 2015-2018 APUC Strategy and Delivery Plan was launched at the AGM and Procurement Network Conference in June.

The newly formed Construction Reform Delivery Group held its first meetings with almost 40 projects being approved for further development by the group.

College Services.

The total number of contracts supported by the college services team in the year by the end of July 2015 was as follows:

- Contracted: 76
- Total value: £6.6M
- Number of colleges: 18
- Savings: over £1.39m

A further 79 were in progress (£28.2M) and 175 planned (£14.2M) across 22 colleges.

Institutional Procurement Services

A new role of Head of Institutional Procurement Services was appointed to manage senior institutional stakeholder relationships and lead and support all APUC staff that work in delivering institutional services across Universities and Colleges.

eSolutions

There was a continued development of the Hunter solution with v17 released on March 15. The capture of multiple benefits against a contract or agreement was the main feature but we also added in some functionality to make the use of Hunter a better experience for the user. Ability to sort the contracts list on screen, create a task and add to Outlook tasks and ability to see the list of contracts which a supplier has been named on and whether an organisation has adopted that agreement are now available functions.

The release of PECOS v14 allowed us to progress with the eGateway development work allowing organisations to make use of the eProcurement capability of finance systems to enable easy access to the managed content available in PECOS.

Sustainable Supply Chain Development Programme

The Sustain web tool was launched and in use with the first 5 prioritised suppliers and roll out continued. Due to the nature of this product it is likely to continue to evolve over the next couple of years. Some user interface improvements were planned based on early feedback.

The Management Trainee programme proved extremely successful, with all 3 initial trainees now in full time employment in the sector.

Recruitment of the trainees for the second round of the programme was completed successfully.

Governance

On 28 February 2015 and 21 May 2015 respectively, Irene Bews and Nigel Paul resigned from the APUC Board as university sector representatives and Sheena Stewart, Abertay University and Liam McCabe, University of Stirling were appointed on 1 December 2014 and 1 March 2015 respectively to take their places. These appointments were confirmed by election as part of the AGM formalities in June 2015. The three non-sectoral Directors, David Ross, Stuart Paterson and Douglas MacKellar remained in office, and are now on a 3 year appointment cycle (as per sector directors) allowing for majority continuity in the event of routine change of appointees.

Procurement Capability Assessments (PCAs)

The annual report for the 2014 PCA programme, detailing the breakdown of results and key findings was published in January 2015. This was the 6th consecutive year of conducting PCAs in universities and colleges as part of the public procurement reform programme.

Some merged institutions were being assessed in 2014 for the first time with a new question set. This format had a reduced number of questions and was generally judged to be more difficult to meet than the 2012 question set without clear supporting evidence being shown.

The average score across the Higher and Further Education institutions was 60%.

2014 was the final year for the PCA in its current format. A project called 'Assessment Regime for 2015' was approved by the Public Procurement Reform Board (PPRB) in February 2014 and a project team, comprised of representatives from each of the sectors, was established to develop a new assessment.

The new assessment was designed to enable all organisations to continue to improve their procurement capability and to meet the changing procurement landscape and requirements of:

- The Procurement Reform (Scotland) Act
- Changes in EU Legislation
- The recommendations of the "Review of Scottish Public Sector Procurement in Construction" report

It also expanded its scope into new areas of commercial management of organisations. The new assessment regime was finalised in mid 2015 and planned for implementation in time for the 2016 round of assessments.

The PCA results illustrating the year on year improvements are shown on the following page.

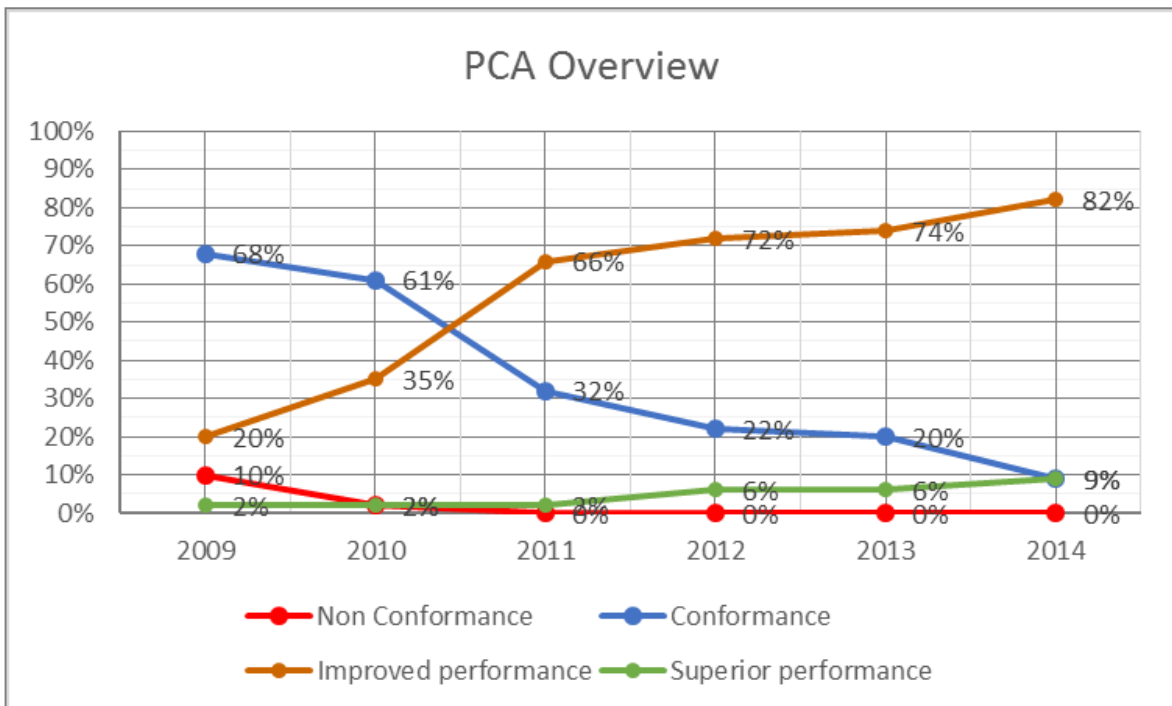
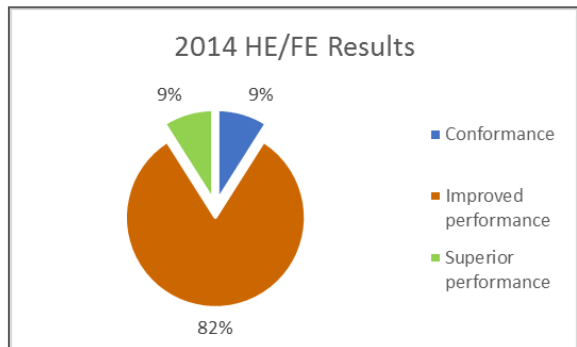
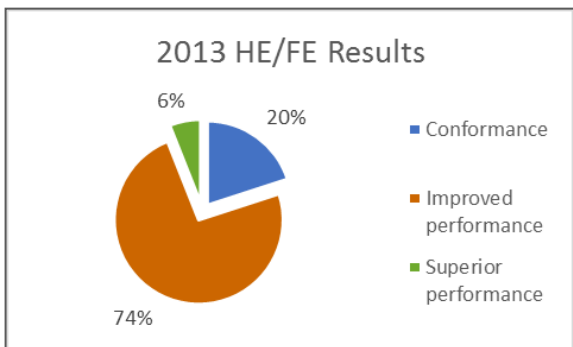
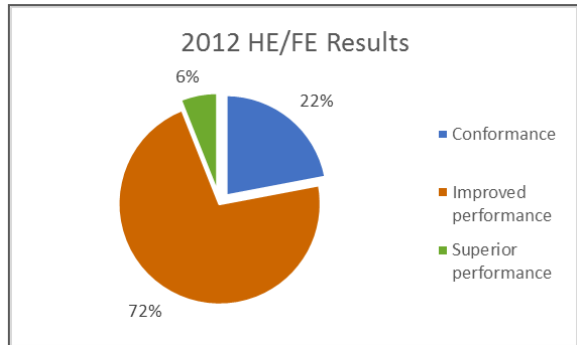
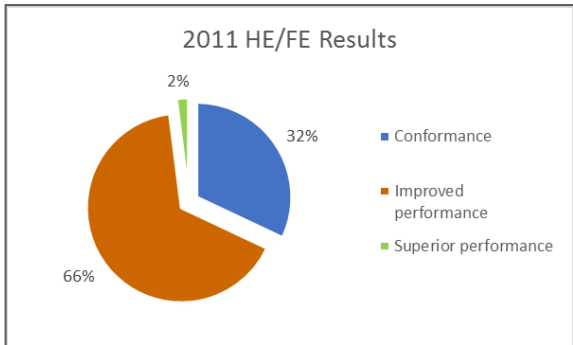
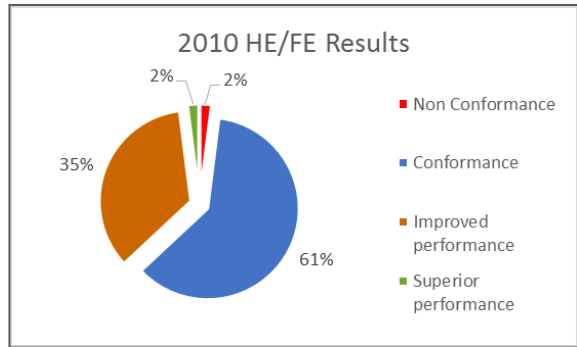
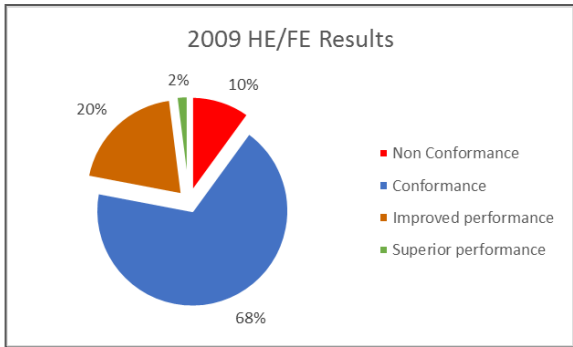


Fig 1a - Collaborative Contracts available with Buyers' Guides

• Software Licence Resellers	• Provision of Temporary and Interim Staff - Administration East	• Technology Products (RM1054) IT Hardware
• JANET Transmission Services & Infrastructure - Lot 1 - Managed Transmission Services	• Provision of Temporary and Interim Staff - Administration West	• IT Consumables
• JANET - Shared Data Centre	• Provision of Temporary and Interim Staff - Catering/Manual North	• Office Supplies (Stationery, Paper)
• Audio-visual Equipment - Lot 1 - Equipment Supply	• Provision of Temporary and Interim Staff - Catering/Manual East	• Office Equipment & Print Estate Audit Services - Full Catalogue Office Equipment & Associated Services
• Web Conference Services	• Provision of Temporary and Interim Staff - Catering/Manual West	• IT Peripherals
• Audio Visual (incl. Video Conferencing) Supply, Design, Installation, Maintenance	• Provision of Temporary and Interim Staff - Interim Professionals	• National Education Printer Agreement
• Software License Reseller - Microsoft Software	• Provision of Temporary and Interim Staff - Interim IT	• Apple Agreement
• JANET - Data Centre & Cloud Services (JA.net Brokerage)	• Employee Assistance Programme	• IT Related Accessories & Parts (ITRAP)
• Finance Systems	• Occupational Health for Staff and Healthcare Students	• National Franking Machines Agreement
• HR & Payroll Systems	• Executive Recruitment / Head hunters	• Generic SIP and IP Handsets
• Audio Visual Consumables	• Salary Sacrifice Management Service	• National Server and Storage Agreement (NSSA)
• Photographic Equipment & Consumables	• Childcare Vouchers Scheme, provision of	• Routing and Switching Equipment - Lot 1
• JANET - 3G (Mobile broadband service)	• Direct Media Recruitment Advertising (re-let)	• Data Centre Equipment & Consultancy - Lot 1 Equipment
• Student Records system	• Temporary Agency Staffing Services - Lot 1 - Admin and Clerical	• Network Equipment - Lot 1 Equipment only
• JANET txt - SMS for Education	• Engineering & Design consumables and Storage & Material handling Products	• National Desktop & Notebook (NDNA) - Lot 1 - Desktop
• Blackboard	• Industrial Gases	• Document Storage and Related Services (RM1689) - Lot 1: Off-Site Storage
• Mobile Voice & Data Services	• Microscopes & Imaging	• Specialist Paper (RM1078)
• PSN Services - Mobile Voice and Data Services	• Mass Spectrometry and Chromatography	• IT Hardware - Mobile and Desktop
• PSN Connectivity	• Multi-Modality Imaging Framework	• Hair & Beauty
• - Mobile Voice and Data Services	• Laboratory Equipment Maintenance & Repair Services Agreement (LEMS)	• Journal Binding and Book repairs
• Air Filters	• Payment Solutions - Fuel Cards	• Periodicals (The supply of)
• Water & Wastewater Services	• Insurance	• eBooks and eBook Collections (The supply of)
• Supply of Electricity (HH, NHH and Domestic)	• Laboratory Equipment (Purchase)	• Print Books and Standing Orders (The Supply of)
• Liquid Fuels - Vehicle & Heating Fuels	• Veterinary Supplies	• Debt Collection Services
• Biomass Framework - Energy Supply Agreement	• Fine Chemicals	• Fresh Bakery Products
• Natural Gas	• Oligo Bases and Custom Made Oligo	• Fresh Dairy Products
• Biomass -Supply of Wood Fuel (Pellets) Framework Agreement	• Radio chemicals for use in Research and Teaching	• Waste Management / Multi Lot
• Boiler Maintenance	• HVLE Magnetic Resonance Imaging Scanners (MRI)	• Laundry Cleaning Services
• Water Quality Management (Legionella) 3 Lots	• HVLE Scanning Electron Microscopes	• Catering Sundries - Supply & Delivery of
• Security Services & Equipment	• HVLE Transmission Electron Microscopes	• White Goods
• Tool Hire	• HVLE NMR Spectrometers	• Washroom Services
• Quantity Surveying Services	• HVLE Diffraction Apparatus	• Personal Protection Equipment (PPE)
• Decorator Paint & Sundries	• HVLE Sequencers	• Fresh Fruit & Vegetables
• PAT & Fixed Wire Testing - Lot 3 - PAT - Scotland	• Liquid Handling Robotics	• Fresh Fish & Seafood
• Furniture (Supply, Delivery & Installation)	• Legal Services - General Commercial - Lots 1, 6, 11 and 16	• Fresh Butcher Meat
• Fire Fighting Equipment Supply & Servicing (The Consortium)	• Audit Services	• Sandwiches
• Laboratory Plastic-ware, Glassware & Sundries	• Pension Services	• Soft Drinks, Fruit Juice Concentrate, Associated Products and Services
• Electronic Components - Lot 1		
• Electronic Components		

Fig 1a - Collaborative Contracts available with Buyers' Guides

Healthcare Student Uniforms	Signs and Signage Lot 1	Catering Light and Heavy Equipment - Lot 1 Light Equipment
Media Services	Vehicle Purchase (CCS ref RM1070)	Frozen and Chilled Foods
Marketing Services (Fully Managed Service)	Vehicle Lease (CCS ref RM3710)	Innovative Food Concepts (ICC2009)
Marketing Services (Multi Lot)	Plumbing & Heating Consumables	Kitchen Equipment Maintenance
ePurchasing Card Solution	Postal Services	Water Coolers (900W)
Publishing, Print, Design & Associated Services	Pest Control	Lift Maintenance, Installation & Refurbishment Services
Travel Services	Door Maintenance, Repair, Inspection and Including Supply	Window Coverings
ConsultancyONE	Road Surfacing	Supply, Delivery and Installation of Domestic Furniture including White Goods 10/11
Laboratory Chemicals	Electrical Sundries Supply of	Cleaning Materials and Disposable Paper Products
Media Buying & Planning (Advertising)	Recycling Bins	Soft Furnishings - Lot 1 Bedding and Bathroom
Office & Special Moving Services INCL Storage	Ironmongery & Trade Tools	Alcohol (Spirits, Core Wines Beer, Cider and PPS)
External Print and Associated Services	Building Materials	Hot Beverage Dispensing Equipment and Ingredients
Pre-Paid Envelopes (Pre-Paid Impression PPI)	Road Maintenance Materials	Confectionery, Snacks, Soft Drinks, Cakes and Ancillary Products
Business Travel One Stop Shop	Timber Products	Vending Equipment (VEND11) (Supply and Distribution of)
Fitness and Sports Equipment	Floor Coverings	Grocery provisions and Chilled Foods
Promotional Goods - Lot 1 Promotional Products	Salt For Winter Maintenance	Catering Disposables & Kitchen & Dishwasher Chemicals including Dosing Equipment (Supply & Distribution of)
Cash & Valuables in Transit	Vehicle Hire and Leasing	Supported Factories and Businesses - Furniture and Associated Products
National Education Recruitment Advertising and Resourcing Services (NERARS) II	Office Supplies & Computer Consumables - Lot 1 - Stationery	Pecos Integration Support
Provision of Temporary and Interim Staff - Administration North	Paper and Specialist Printing Paper	Professional Buying Tools

Annex A

List of member institutions

Full members - HE Institutions (19)

Abertay University
Edinburgh Napier University
Glasgow Caledonian University
Glasgow School of Art
Heriot-Watt University
Queen Margaret University
Robert Gordon University
Royal Conservatoire of Scotland
Scottish Association for Marine Science (SAMS)
Scotland's Rural College (SRUC)
University of the Highlands and Islands
University of Aberdeen
University of Dundee
University of Edinburgh
University of Glasgow
University of St Andrews
University of Stirling
University of Strathclyde
University of the West of Scotland

Full members – FE Institutions (25)

Ayrshire College
Borders College
City of Glasgow College
Dumfries and Galloway College
Dundee and Angus College
Edinburgh College
Fife College
Forth Valley College
Glasgow Clyde College
Glasgow Kelvin College
Inverness College
Lews Castle College
Moray College
New College Lanarkshire
Newbattle Abbey College
North East Scotland College
North Highland College
Orkney College
Perth College
Sabhal Mor Ostaig
Shetland College
South Lanarkshire College
West College Scotland
West Highland College
West Lothian College

Associate members (5)

Argyll College
The Highland Theological College
North Atlantic Fisheries College
Fraunhofer UK Research Ltd
UHI Shared Services Limited

Associated bodies (2)

College Development Network
The Scottish Funding Council

Annex B

Directors for the year ended 31 July 2015

Nigel Paul, Vice Principal and *Director Corporate Services, University of Edinburgh (Chairman)*¹
Gerry Webber, *University Secretary, Edinburgh Napier University*
Irene Bews, *Director of Finance, University of Aberdeen*²
Liam McCabe, *Director of Finance, University of Stirling*²
Sheena Stewart, *University Secretary, Abertay University*³
Mhairi Harrington, *Principal, West Lothian College*
Janet Thomson, *Deputy Principal, Glasgow Clyde College*
Alan Williamson, *Director of Finance, Edinburgh College*
David Ross – *non sectoral director*
Stuart Paterson – *non sectoral director*
Douglas MacKellar – *non sectoral director*
Angus Warren – *Chief Executive, APUC Ltd*

¹ Nigel Paul resigned from the Board on 21/5/2015

² Irene Bews resigned from the Board on 28/2/2015 and was replaced by Liam McCabe on 1/3/2015

³ Sheena Stewart joined the Board on 1/12/2014
Gerry Webber took over as Chair at the 31/3/2015 Board meeting

APUC Limited
Unit 5, Stirling Business Centre
Wellgreen
Stirling
FK8 2DZ

tel: 0131 442 8930

email: enquiries@apuc-scot.ac.uk
www.apuc-scot.ac.uk

Incorporated in Scotland (No. SC314764)
VAT Registration Number 974 9816 54