

Advanced Procurement  
for Universities & Colleges

**Annual Report**  
**2013/14**



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## Introduction from Nigel Paul, Chair APUC

On behalf of the Board of APUC Limited, I am delighted to again introduce APUC's Annual Report, this time for the year 2013-14.

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

During 2012-3, the proportion of sector spend going through collaborative agreements rose to 32% (a 16% increase) with benefits of £15.6m being reported from collaborative contracting, compared with previous prices. This equates to benefits of circa £20m when measured against market pricing - a measure which recognises that contracts are being re-let on terms that retain previous benefits. 2013-14 data is currently being validated and will be reported during the 2014/15 year.

The College merger programme was completed with the formal launch of 8 new institutions comprising of 20 former colleges. APUC's college services team continued to provide support and expertise to these institutions throughout their transition periods. There were a total of 17 institutions benefiting from institutional procurement shared services arrangements provided by APUC by the summer of 2014.

The Procurement Reform Bill was published and entered the parliamentary process. APUC, with sector input and support, gave evidence to the Infrastructure and Capital Investment Committee on 13 November 2013. The Committee took on board at least some of our concerns and shortly afterwards there was additional positive dialogue between APUC and the Scottish Government's Bill Team. Suitable draft wording was subsequently agreed that would exempt Research relevant spend from the Procurement Reform Bill. This was introduced as a Stage 2 Amendment rather than just in regulations and was a very welcome outcome. The Procurement Reform Bill subsequently passed through Parliament and received Royal Assent in June 2014. APUC continued to have dialogue with the Scottish Government on the development of the regulations and guidance that would accompany the new Act and also on the interpretation of the new EU Directives to ensure that any negative impacts on our sector could be minimised wherever possible. APUC is also working to ensure training and systems developments are in place such that there is a common approach to implementation which will help minimise duplication of effort across the sector

The Information Services Shared Services Catalyst (ISSC) was launched during the year with two excellent staff being appointed. The aim of the new team is to work in partnership with institutions and professional groups to identify and encourage shared service opportunities within IS or facilitated by IS. The ISSC will operate under APUC's Universities and Colleges Shared Services (UCSS) brand and has a separate website. It reports to the

HE/FE ICT Sector Oversight Board and has an IS Strategy Group made up of IS leaders from across the University and College sectors. A stakeholder dialogue process is underway.

Good progress was maintained in the Procurement Capability Assessment process with 80% of institutions now in the Improved Performance and Superior categories.

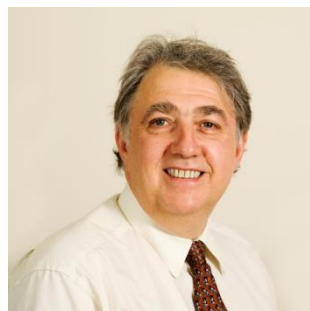
The Hunter database now has over £3b worth of collaborative contract spend recorded, a 3 fold increase from the start of the year, and is starting to be used to support the creation of contract registers, a requirement of the new Scottish and EU regulations. Hunter was also installed in further institutions, including the Scottish Procurement and Commercial Directorate. The EDAM equipment database was launched which records equipment at institutions and enables opportunities for equipment sharing and optimisation of maintenance contracting to take place across the sector. Development also commenced on a SUSTAIN database which will facilitate monitoring of social responsibility and environmental sustainability in supply chains.

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. A Procurement Networking Conference was organised in September 2014 which was also well attended.

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 to support delivery of institutional and sector objectives. 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 2013-14 Financial Statements and associated reports are available on the [corporate information page](#) on the APUC website.



## High level data summary and year end comparisons

Key Parameters	2012-13	2013-14
Member institutions (full and associate) * Number reduced due to college mergers. There are 5 associate members.	59	48 (43 and 5)*
Collaborative contracts available with Buyers Guides in place	138	159
Contracting categories in research phase	40	44
Institutions being supported as users of e-procurement solutions	48	37*
Institutions being supported in use of MI tools and other procurement related tools	59	44*
Average number of Collaborative Agreements in use per institution	55	75

## Summary of key actions and achievements August 2013 – July 2014

Area	Key actions and achievements
<b>Operations</b>	<ul style="list-style-type: none"> <li>New APUC and UCSS websites launched in February 2014</li> <li>Company email migrated to Cloud based Exchange 365 and plans initiated to move servers to offsite datacentres</li> <li>Client account management model continues to be well received by institutions and is producing impressive results and attracting interest from other sectors</li> <li>Quarterly Procurement Strategy Group meetings to ensure that APUC's activities are aligned with client expectations and provide forward guidance</li> <li>Annual Contracting Priorities and Ways of Working Workshop held in January to agree the focus of APUC's activities for the following year</li> </ul>
<b>Operational Procurement</b>	<ul style="list-style-type: none"> <li>159 contracts valued at £325M available to institutions by the end of the year</li> <li>New Strategic Category work stream established for Professional Services</li> <li>Equipment Database and Maintenance (EDAM) now available online</li> <li>The percentage of sector spend going through collaborative agreements as reported in 2013/14 (for 2012/13 data) has increased to 32% (2013/14 data will be reported during the 2014/15 year)</li> </ul>
<b>Benefits Tracking</b>	<ul style="list-style-type: none"> <li>Benefits from collaborative contracting alone reported in the year (based on 2012/13 spend) was £15.6m</li> <li>Benefits now reported both against previous price (BT1) and against market pricing (BT2)</li> <li>Spend on collaborative contracts by the sector for the 2013/14 year (subject to validation) was £222.1M an increase of 13.5% over the validated figure for the previous year</li> </ul>
<b>eSolutions</b>	<ul style="list-style-type: none"> <li>All institutions continue to be supported on a range of e-procurement related solutions</li> <li>Hunter database is being installed in all institutions including all purchasing consortia and Scottish Government. Further installations planned</li> <li>Supplier MI website rolled out to 95% of suppliers across UK consortia</li> <li>Hunter being used to create Contract Registers for institutions</li> <li>APUC provided ongoing support to institutions in the use of the PCS-T system</li> </ul>
<b>Development and Sustainability</b>	<ul style="list-style-type: none"> <li>Sustain website handed over to APUC from the developer.</li> <li>APUC became a Founder Member of Electronics Watch</li> <li>Training Plan for institutions maintained and eLearning tool from HEPA launched</li> <li>Fifth round of Procurement Capability Assessments (PCA) completed with continuing improvements achieved</li> <li>First year of Management Trainee programme was very successful</li> </ul>
<b>Information Services Shared Service Catalyst (ISSC)</b>	<ul style="list-style-type: none"> <li>Funding received</li> <li>Staff recruited</li> <li>Strategy Group established comprising institutions' CIOs</li> <li>Stakeholder engagement process commenced</li> </ul>

## Update on Procurement Capability Assessments (PCAs)

The annual report for the 2013 PCA programme, detailing the breakdown of results and key findings was published in January 2014. A workshop covering the results and looking forward to the 2014 PCA Programme and beyond took place on the 3 April 2014 in Dundee.

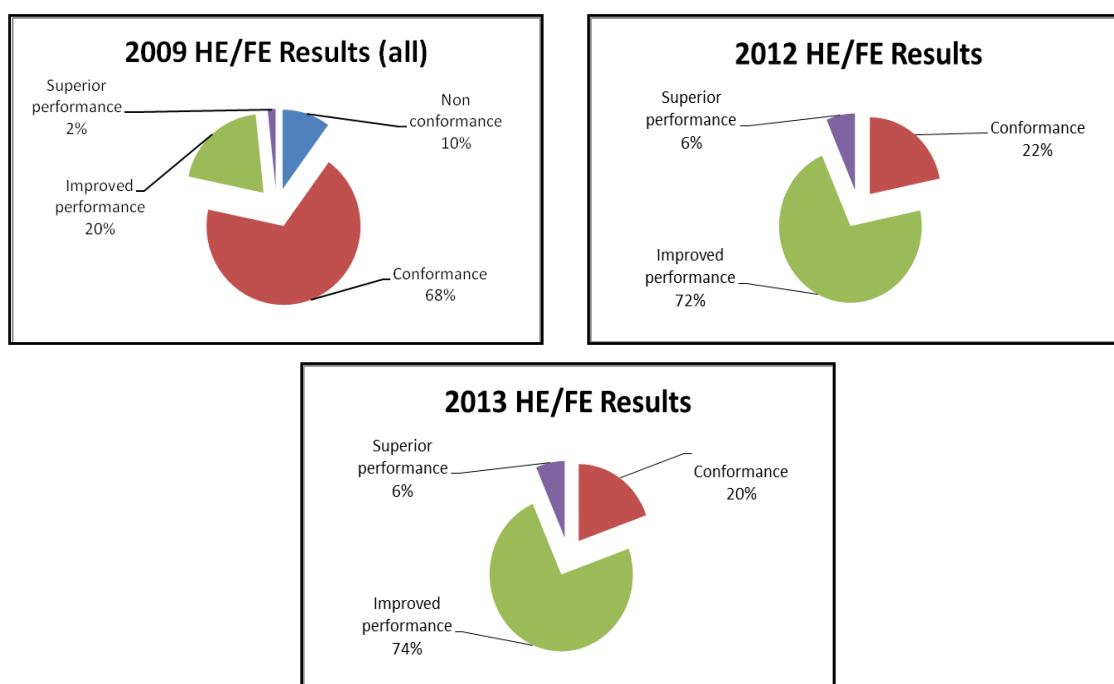
Only 15 institutions were liable for a PCA in 2013. The high scorers in 2012 received a 'bye' until 2014, as did those Colleges involved in mergers. Of the 15 institutions assessed, 4 were 'Full' and 11 were 'Lite' versions respectively.

Two of the institutions assessed were formed as a consequence of mergers in 2012. Both of these institutions received a 'Full' PCA for the first time as their constituent institutional parts were formerly assessed on the 'Lite' version.

The boxes below highlight the improvement versus the previous year. The data from the first year (2009) has also been included to highlight the overall scale of improvement across the University and College sector since the beginning of the programme.

The detailed scoring within quartiles shows that the general picture is still one of good capability improvement. There are some institutions that have slipped back slightly, mainly due to the challenges of bringing procurement processes etc. together and dealing with high levels of complex procurements post-merger. They have now put professional resources in place and we expect that position to improve considerably by the next PCA. APUC will continue to provide assistance to enable this to happen.

Discussions are taking place with Scottish Government and other public sectors to look at how the future PCA process may develop and be adapted to provide meaningful assessment in a changing procurement landscape.



## Governance of APUC

On 7 July 2013 and 31 October 2013 respectively, Andrew Haddon and John Doyle resigned from the APUC Board as College sector representatives and Mhairi Harrington, West Lothian College and Janet Thomson, Glasgow Clyde College were elected on 13 January 2014 to take their places.

These appointments were confirmed by election as part of the AGM formalities in May 2014. The three non-sectoral Directors, David Ross, Stuart Paterson and Douglas MacKellar also remain 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.

**Fig 1a - Collaborative Contracts available with Buyers' Guides**

• Air Filters	• Decorator Paint & Sundries	• Hair & Beauty
• Alcohol (Spirits, Core Wines Beer, Cider and PPS)	• Diffraction Apparatus	• Healthcare Student Uniforms
• Apple Agreement	• Direct Media Recruitment Advertising	• Hot Beverage Dispensing Equipment and Ingredients
• Applications and Web Development Services	• Door Maintenance, Repair, Inspection and Including Supply	• HR & Payroll Systems
• Audio Visual (inc. Video Conferencing) Supply, Design, Installation, Maintenance	• eBooks and eBook Collections (The supply of)	• Industrial Gases
• Audio Visual Consumables	• Electrical Sundries Supply of	• Innovative Catering Concepts (ICC2009)
• Audiovisual Equipment - Lot 1 - Equipment Supply	• Electronic Components - Lot 1 Electronic Components	• Insurance - Framework (Focus on Colleges/Small HEI's)
• Audit Services	• Employee Assistance Programme	• International Airmail
• Banking Services (2014)	• Engineering & Design consumables and Storage & Material handling Products	• Ironmongery & Trade Tools
• Biomass Framework - Energy Supply Agreement	• Executive Recruitment / Headhunters	• IT Consumables
• Biomass -Supply of Wood Fuel (Pellets) Framework Agreement	• External Print Services	• IT Hardware - Mobile and Desktop
• BlackBoard	• Facilities Management	• IT Peripherals
• Boiler Maintenance	• Finance Systems	• IT Related Accessories & Parts (ITRAP)
• Building Materials	• Fine Chemicals	• IT Services Managed Services
• Business Travel One Stop Shop	• Fire Fighting Equipment (Supply and Maintenance)	• JANET - 3G (Mobile broadband service)
• Cash & Valuables in Transit	• Fitness and Sports Equipment	• JANET - Data Centre & Cloud Services (JA.net Brokerage)
• Catering Disposables & Kitchen & Dishwasher Chemicals including Dosing Equipment (Supply & Distribution of)	• Fixed Wire Testing	• JANET - Transmission Services & Infrastructure (Telecommunications)
• Catering Sundries - Supply & Delivery of	• Floor Coverings	• JANET txt - SMS for Education
• Childcare Vouchers Scheme (The Supply and Delivery of)	• Fresh Bakery Products	• Journal Binding and Book repairs
• Cleaning Materials and Disposable Paper Products	• Fresh Butcher Meat	• Laboratory Chemicals
• COACH HIRE SERVICES	• Fresh Dairy Products	• Laboratory Equipment (Purchase)
• Confectionery, Snacks, Soft Drinks, Cakes and Ancillary Products	• Fresh Fish & Seafood	• Laboratory Equipment Maintenance & Repair Services Agreement (LEMS)
• ConsultancyONE	• Fresh Fruit & Vegetables	• Laboratory Plastic-ware, Glassware & Sundries
• Courier & Parcel Services- Same Day	• Frozen Food inc Frozen and Chilled Potato Chips (FROZ11) (Supply and Distribution of)	• Laundry Cleaning Services
• Culture Media	• Furniture (including Teaching Boards and Storage Solutions)	• Legal Services - General Commercial - Lots 1, 6, 11 and 16
• Data Centre Equipment & Consultancy - Lot 1 Equipment	• Generic SIP and IP Handsets	• Library General Supplies - General Supplies
• Debt Collection Services	• Grocery provisions and Chilled Foods	• Liquid Fuels - Vehicle & Heating Fuels



**Fig 1a (continued) - Collaborative Contracts available with Buyers' Guides**

• Liquid Handling Robotics	• Pan Government Vehicle Leasing and Fleet Outsource Solution Framework - RM858	• Sequencers
• Magnetic Resonance Imaging Scanners	• Paper and Specialist Printing Paper	• Signs / Signage
• Marketing Services (Fully Managed Service)	• PAT Testing Services	• Soft Drinks, Fruit Juice Concentrate and Associated Products and Services
• Marketing Services (Multi Lot)	• Pecos Integration Support	• Soft Furnishings - Lot 1 Bedding and Bathroom
• Mass Spectrometry and Chromatography Equipment	• Pension Services	• Software Licence Resellers
• Media Buying & Planning (Advertising)	• Periodicals (The supply of)	• Software License Reseller - Microsoft Software
• Media Services	• Personal Protection Equipment (PPE)	• Specialist Paper (RM1078)
• Microscopes & Imaging	• Pest Control	• Supply of Electricity (HH, NHH and Domestic)
• Mobile Voice & Data Services	• Photographic Equipment & Consumables	• Supported Factories and Businesses - Furniture and Associated Products
• Multi Modality	• Plumbing & Heating Consumables	• Temporary and Interim Staff
• National Desktop and Notebook Agreement - Desktop	• Postal Services	• Timber Products
• National Education Printer Agreement	• Pre Paid Envelopes	• Tool Hire
• National Education Recruitment Advertising & Resourcing Services (NERARS)	• Print Books and Standing Orders (The Supply of)	• Transmission Electron Microscopes
• National Franking Machines Agreement	• Professional Buying Tools	• Travel Services
• National Server and Storage Agreement (NSSA)	• Promotional Goods - Lot 1 Promotional Products	• Vehicle Hire and Leasing
• Natural Gas	• Provision of Lift Maintenance Services	• Vehicle Purchase
• Network Equipment - Lot 1 Equipment only	• Quantity Surveying Services	• Vending Equipment (VEND11) (Supply and Distribution of)
• NMR Spectrometers	• Radiochemicals for use in Research and Teaching	• Veterinary Supplies
• Notebook and Tablet Devices	• Recycling Bins	• Washroom Services
• Occupational Health for Staff and Healthcare Students	• Road Maintenance Materials	• Waste Management / Multi Lot
• Office & Special Moving Services INCL Storage	• Road Surfacing	• Water & Wastewater Services
• Office Equipment & Print Estate Audit Services - Full Catalogue Office Equipment & Associated Services	• Routing and Switching Equipment	• Water Coolers (900W)
• Office Supplies (Stationery, Paper)	• Salary Sacrifice Management Service	• Water Quality Management (Legionella) 3 Lots
• Office Supplies and Computer Consumables - lot 2 computer consumables	• Salt For Winter Maintenance	• Web Conference Services
• Oligo Bases and Custom Made Oligo	• Sandwiches	• White Goods
• Overpayment Recovery Services	• Scanning Electron Microscopes	• Window Coverings



## Annex A

### List of member institutions

#### Full members - HE Institutions (18)

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  
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  
Colleges Scotland

#### Associated bodies (2)

Colleges Scotland  
The Scottish Funding Council

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## Annex B

### Directors for the year ended 31 July 2014

Nigel Paul, Vice Principal and *Director Corporate Services, University of Edinburgh (Chairman)*  
Gerry Webber, *University Secretary, Edinburgh Napier University*  
Irene Bews, *Director of Finance, University of Aberdeen*  
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*

*Andrew Haddon, Principal, Langside College and John Doyle, Principal and CEO, Coatbridge College both resigned from the Board due to changes of circumstances arising out of the college merger programme and were succeeded on the Board by Mhairi Harrington and Janet Thomson.*

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