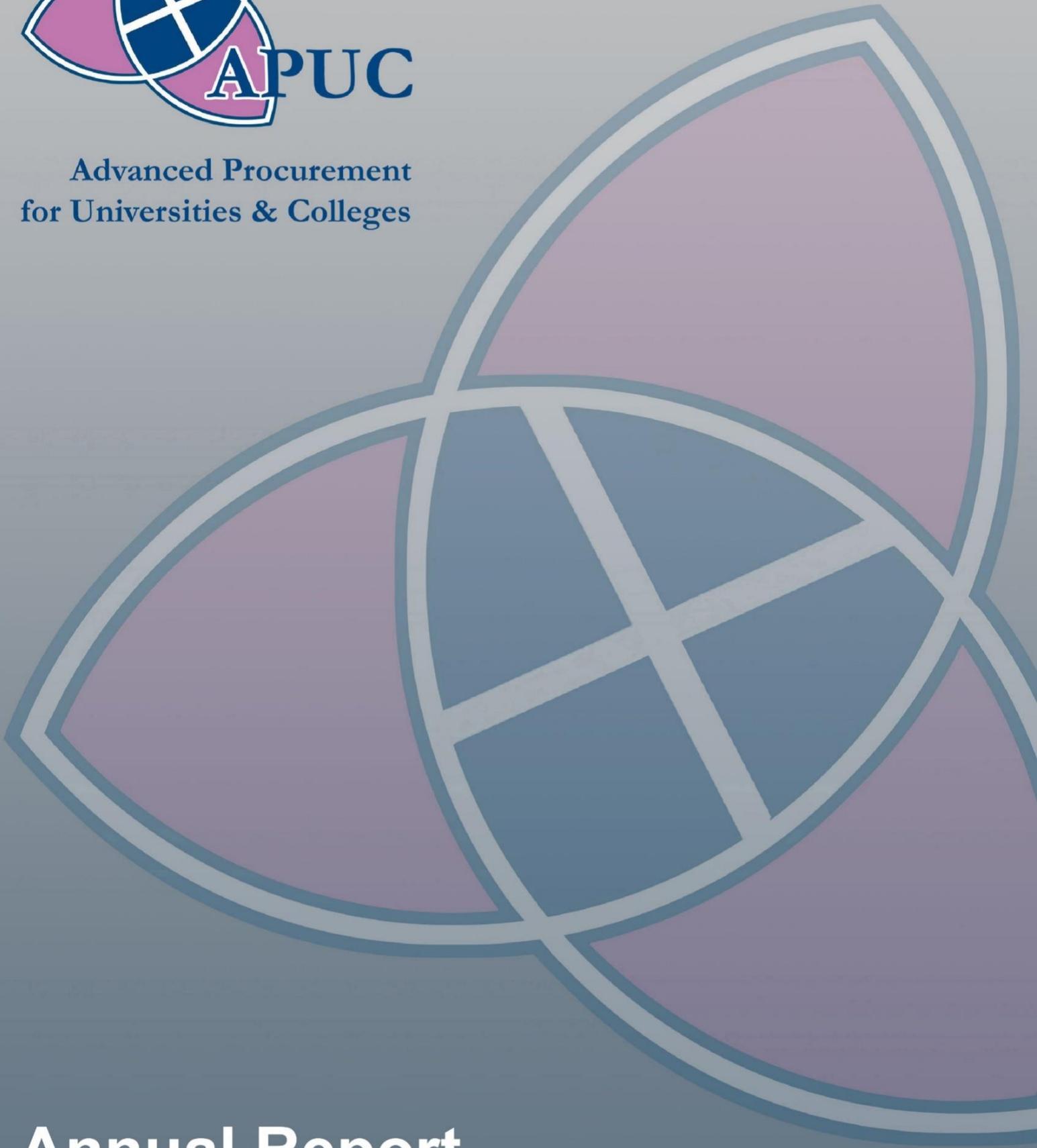


Advanced Procurement
for Universities & Colleges



Annual Report 2015/16

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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 2015 -16.

This year has again been one of substantial development and change for the sector and APUC, and also another one of significant achievement which I would briefly like to take you through.

Procurement across the HE sector in Scotland has undergone substantial changes during 2016 with the introduction of both the new EU procurement rules and the Procurement Reform (Scotland) Act.

Since April 2016, APUC has delivered training on the new rules to over 650 Scottish staff.

We continue to maximise the amount of work, both across Scotland and the UK that is done collaboratively. This continues to bring benefits in efficiencies in collaborative contract delivery which has become more challenging with the divergence of procurement legislation under Scots and English law, but the value outcomes for the whole of the UK are still rewarding.

APUC has continued over the last year or so to implement further institutional procurement shared services where staff are embedded within institutions thereby forming the local procurement team but are employed, developed and their careers managed by APUC.

This model has allowed further optimisation of professional procurement delivery through forming of regional teams. Regional teams work across several institutions in a geographical area – each institution has local professional procurement presence but the resources employed category manage all of their category's expenditure across all the institutions in the regional team. There are now three regional teams in place, the Edinburgh Region Procurement Team (mixed HE/FE members), the Glasgow Region Procurement Team (FE institutions) and, providing a slight variation on this theme, the Northern Procurement Team (mixed HE/FE).

Over half of Scotland's 44 institutions now have local procurement services provided under this APUC shared service arrangement.

APUC continues to move forward with work to gain a greater understanding of the ethical and environmental standards in our supply chains. All collaborative agreement suppliers have been prioritised based on risk and spend and using the in-house developed "Sustain" supplier assessment tool, an increased number will be fully multi-supply-chain-layer assessed before the end of the academic year with resulting action / improvement plans being in place where appropriate.

Outcomes from this continuing work will be increasingly adopted into the HE sector supply chains of participating organisations.

The new publicly funded sector Procurement and Commercial Improvement Programme (PCIP) was implemented in 2016, replacing the PCA programme that had itself driven significant improvements to professional procurement capability across institutions since 2009. The PCIP aims to move the agenda forward from the PCA, with the PCIP being much tougher as it assesses areas beyond that covered by the PCA. The programme is due to be virtually complete for Full, Medium and Lite PCIP classified organisations by the end of 2016 with the Operational Procurement Review for the smallest institutions taking place early in 2017.

With the end of use of the UniBuy solution, APUC have put in place a replacement tool called the Buyers Portal. The initial priority for use of the tool was to act as a simple to use contracts database / Buyer's Guide repository for institutions, it is now being expanded to become a comprehensive customer portal. This will include spend and savings data, contract uptake reporting, PCIP reporting and improvement tools, Category Bulletins, eLearning solutions and repositories for templates and guidance materials etc., with confidential partitioning for institution specific information where applicable.

Quarterly Category Bulletins were introduced in June 2016, these are separate e-magazines that have focussed news for relevant categories (Estates, HR, Labs. Professional Services etc.) with information on framework agreements that are likely to be of interest to the target audience groups (UHR-S, SAUDE, SUFDG etc) which they are directly delivered to, as well as across the procurement community. These have been well received and will continue to be developed based on stakeholder feedback.

2016 also marks 10 years since the publication of the report on Public Procurement in Scotland by John McClelland CBE and 10 years of the resulting public procurement reform programme. A [report](#) on this was published by the Scottish Government.

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 for their cooperation 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.

The 2015-16 Financial Statements and associated reports are available on the [corporate information page](#) on the APUC website



The report this year provides summaries of key actions and achievements across the 2015/16 Academic Year by APUC team.

In GENERAL

- APUC's office moves were completed successfully, with core team staff now being located across three main locations, Stirling, Edinburgh and Glasgow. All locations are now in walking distance to main-line train and bus stations, making it easier for staff from client institutions to reach the offices as well as making it easier for staff to commute by public transport. All offices are "compact" and make maximum use of the space available, which overall per person is less than the space used before the office moves.
- The Procurement Network Conference held in May was very well supported with over 130 delegates attending.



APUC's new Head Office from the beginning of the 2015/16 year was within the Stirling Business Centre (in central Stirling), a 3rd sector organisation providing value for money space to small businesses.

Maximising options & benefits from COLLABORATIVE PROCUREMENT

- Circa 170 collaborative Framework Agreements were available to the sector throughout the year and the potential spend against this portfolio was £314m.
- New Category Strategies were issued to Strategy Groups and the wider stakeholder groups. Category eBulletins were launched and are being updated quarterly. These focus on the contracting programme and any useful updates for the category stakeholders.
- The 2016 Contracting Priorities Workshop (CPW) was held in January at the Stirling Court Hotel. The CPW had a busy agenda focussing on:
 - ❖ The Contracting Programme by Category focussing on what was working well and what Framework Agreements needed to be reviewed.
 - ❖ An update on the work identified at the C1 Collaboration workshops and the priorities identified going forward.
 - ❖ A review of the current Contract Uptake data, what the codes all mean and how this can be simplified and made more effective to be used by institutions.



Developing INSTITUTIONAL PROCUREMENT SERVICES

- January 2016 saw a revised team structure come into force.
- Colleges teams are now split more equally between regionally focussed resources.
- Now delivering advanced collaborative structures and resource sharing/optimisation through ERPT, GRPT and the NPT (UHI Partnership).
- More than 20 separate Institutions benefitting from APUC shared service staff.
- 30 APUC staff providing procurement capability on a shared service basis.
- C1 Tender support started and roadshow held. A number of collaborations undertaken.

Delivering on DEVELOPMENT and SUSTAINABILITY – a very busy year....

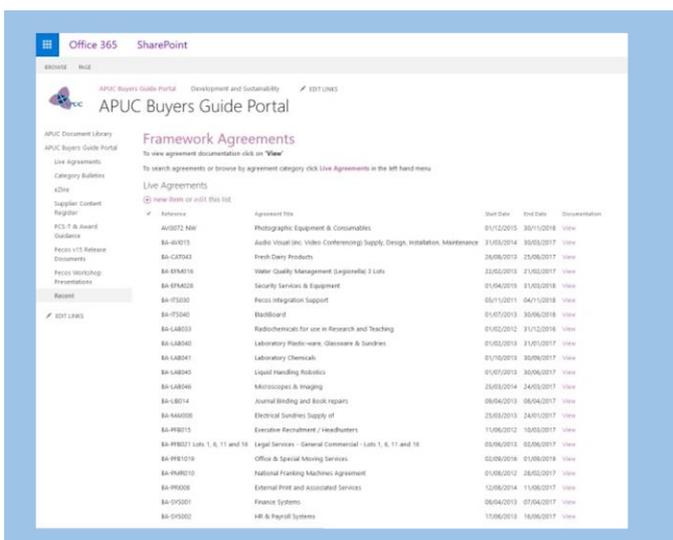
- Guidance on the Reform Act and EU Directives updates communicated to the sector periodically through the year.
 - ❖ Training courses on the requirements of the Procurement Reform Act were developed by APUC and successfully delivered to 600 staff in the HE/FE sectors
- Sustain website launched and evaluation stage completed. Now being used by suppliers to record their sustainability performance.
- Annual review of procurement training and development needs undertaken, including specific Contract & Supplier Management guidance and training.
- The Management Trainee programme continues to be extremely successful, with all 2nd round trainees now in full time employment in the sector. Recruitment of the trainees for the third round of the programme was completed successfully in May 2015.
- D&S Work-stream Strategy developed & published to sector stakeholders.
- Procurement journey updated to reflect regulatory changes.
- New Terms and Conditions of contract released.
- The Procurement Capability Assessment (PCA) was replaced by the new Procurement and Commercial Improvement Programme (PCIP) assessment in 2015.
 - ❖ The new assessment focuses on the policies and procedures driving procurement performance and, the results they deliver.
 - ❖ PCIPs started and targeted for completion by December 2016.
- Trial runs were conducted to help institutions to best prepare for their assessments.
- Although it replaces the previous PCA, the assessment results are not comparable as a result of the following factors:
 - ❖ New assessment methods with wider commercial scope
 - ❖ Different question set
 - ❖ New scoring methodology
- A web portal was developed for publication of PCIP data.

Update on GOVERNANCE:

- On 19 September 2015, David Ross stepped down from the APUC Board as a non-sector representative and, on 13 May 2016, Alan Williamson stepped down as a college sector representative. Fiona Gavine was appointed on 1 January 2016 and Pete Smith was appointed on 13 May 2016 respectively to take their places. Pete Smith's appointment was confirmed by competitive election by member institutions.
- The other two non-sectoral Directors, Stuart Paterson and Douglas MacKellar remained in office, on a three year appointment cycle (as per sector directors) allowing for majority continuity in the event of routine change of appointees.

Enabling excellence in technology use through eSOLUTIONS

- PECOS revision 14 was established and PECOS Marketplace known as 'Gateway' started implementation at early adopter institutions.
- e-Invoicing also became an available feature of the PECOS service.
- Hunter - The new release has regional collaboration functionality, a task reminder tool and additional reports.
- Remote app deployment - this provides a solution that makes it easy to deploy the most up to date version of Hunter to institutions without having to visit each institution. The remote app also provides APUC with an opportunity to develop a suite of reports for every organisation to capture and report on the range of measures in place for the sector such as PCIP dashboard, spend and savings.
- The Status of the Scot-Gov e-Invoicing project across all sectors by the end of the academic year was:
 - ❖ 11 orgs live, 11 implementing, 30 engaging, 49 others had noted interest.
 - ❖ 108 suppliers were adopted with 43 submitting invoices in total across all sectors. The deadline for implementing e-Invoicing for the education sector is currently estimated to be Nov 2019.
- The APUC Contracts Register element of the website went fully live in line with the Procurement Reform Act timings. The webpage is a direct live feed of circa 2000 (and growing) contracts from Hunter.



Buyers guides now on published and can be downloaded from the **APUC Buyers Portal** (instead of Unibuy)

This portal will continue to be developed to be a multi-purpose customer portal for use by client institutions

APUC/UCSS could not function without support from the CORPORATE SERVICES teams

- Resources reformed / established to provide facilities, communications and IT support locally for the three APUC core office locations and support activities for all group staff.
- Several office moves managed on plan
- Increased support for new client facing media (eBulletins etc)
- New format ezine developed and published. Change well received by stakeholders.
- Full Finance support to the business, for staff and external stakeholders
- Professional HR support provided by Queen Margaret University as a shared service

The Universities & Colleges Shared Services (UCSS) INFORMATION SERVICES CATALYST

– catalysing shared services across Information Services in Universities and Colleges

- An ISSC training register has now been published on the UCSS website.
- The pilot MoodleShare shared service (initially between Edinburgh Napier University (ENU) and Edinburgh College) has now successfully completed its first academic year and continues to work well. Further HE & FE institutions have expressed interest in MoodleShare.
- The Information Security shared service is now live – please see below
- Work now started on investigating options for:
 - ❖ Help Desk
 - ❖ Project Management
 - ❖ Business Improvement
 - ❖ Training
 - ❖ Enterprise Architects

MoodleShare
Hosted by Edinburgh Napier University

InfoSec
Hosted by UCSS

UCSS InfoSec

- Chris Sutherland recruited as a Chief Information Security Officer to head up the Information Security shared service. Chris comes with over twenty years of Information Security experience as well as extensive experience of working as a CISO for one of the top Canadian Banks.
- Signed up membership by the end of the year for InfoSec is 11 institutions - comprising 5 HE, 5 FE and APUC, verbal commitments received from 4 additional HEs.
- The team met with all new members, identified common baseline business impact analysis approaches.
- Partnering with Scottish Gov't for maximum information and technology sharing and sector alignment.
- Leading shared service working groups in various InfoSec topics (ransomware, breach response etc.).
- Providing sector wide breach response training (targeted date November 2016). Partnering with law enforcement / Police Scotland and Scottish Gov't

Fig 1a - Collaborative Contracts available with Buyers' Guides

<p>AV, Art, Multimedea-Entertainment</p> <ul style="list-style-type: none"> Audio Visual (inc. Video Conferencing) Supply, Design, Installation, Maintenance Photographic Equipment & Consumables 	<ul style="list-style-type: none"> HR & Payroll Systems IT Consumables IT Peripherals (2014) 	<ul style="list-style-type: none"> Signs and Signage Waste Management Water Quality Management (Legionella) 3 Lots
<p>Catering Supplies and Tuco</p> <ul style="list-style-type: none"> Alcohol - Supply and Distribution of Spirits, Wine, Beer & Cider Catering Light and Heavy Equipment - 2 lots Catering Sundries - Supply & Delivery of Confectionery, Snacks, Soft Drinks, Cakes and Ancillary Products Disposables and Kitchen Chemicals (Catering) Fresh Bakery Products Fresh Butcher Meat Fresh Dairy Products Fresh Fish & Seafood Fresh Fruit & Vegetables Frozen and Chilled Foods Grocery provisions and Chilled Foods Hot Beverage Dispensing Equipment and Ingredients Innovative Food Concepts (ICC2009) Kitchen Equipment Maintenance Sandwiches Soft Drinks, Fruit Juice Concentrate, Associated Products and Services Vending Equipment (Supply and Distribution of) Water Coolers (900W) 	<ul style="list-style-type: none"> IT Related Accessories and Parts JISC Routing & Switching Equipment - 10 lots JISC Shared Data Centre Mobile Client Devices (National Framework) National Desktop & Notebook (NDNA) - 3 lots National Education Printer Agreement National Framework for Workstation Client Devices National Server and Storage Agreement (NSSA) Network Equipment - 4 lots PECOS Integration Support Professional Buying Tools SCURL Library Services Platform Systems Server Maintenance Software Licence Resellers Student Records system Tablet Client Devices Technology Products (RM 1054) - 4 lots 	<p>Furniture and Finishings</p> <ul style="list-style-type: none"> Fitness and Sports Equipment Floor Coverings Furniture (Supply, Delivery & Installation) Furniture and Associated Products - Supported Factories and Businesses 4 lots Hair & Beauty Soft Furnishings - 3 lots Supply, Delivery and Installation of Domestic Furniture including White Goods 10/11 Supported Factories and Businesses - 4 lots White Goods Window Coverings
<p>Computer Supplies</p> <ul style="list-style-type: none"> Apple Equipment & Services (National) BlackBoard Client Devices - Thin Clients (National Framework for) Client Devices - Web Based Computing and Proprietary Devices (National Framework for) Data Centre Management - 2 lots Desktop Client Devices (National Framework) Digital and Technology Services Finance Systems Hosting Services 	<p>Estates, Buildings & Facilities</p> <ul style="list-style-type: none"> Air Filters Building Materials Decorator Paint & Sundries Door Maintenance, Repair, Inspection and Including Supply Lift Maintenance, Installation & Refurbishment Services PAT & Fixed Wire Testing - 2 lots Pest Control Plumbing & Heating Consumables Quantity Surveying Services Recycling Bins & Street Furniture - 2 lots Road Maintenance Materials Road Surfacing 	<p>Insurance</p> <ul style="list-style-type: none"> Non-life Insurance <p>Janitorial & Domestic</p> <ul style="list-style-type: none"> Cleaning Materials and Disposable Paper Products Laundry Services Washroom Services <p>Laboratory Equipment</p> <ul style="list-style-type: none"> Electronic Components - 4 lots HVLE - Gene Expression & Genotyping Analysis Equipment, - 2 lots HVLE - Imaging/Analysis Systems & Microscopy Instruments - 7 lots HVLE - Magnetic Resonance Equipment (MRI) - 4 lots HVLE - Maintenance and Servicing of High Value Laboratory Equipment HVLE - Refurbishment & Recycling & Disposal of High Value Laboratory Equipment HVLE - Spectroscopy - 3 lots HVLE - X-Ray & Elemental/Micro Analysis 3 lots Industrial Gases Laboratory Chemicals Laboratory Equipment Maintenance & Repair Services Agreement (LEMS) Laboratory Equipment Supply, Installation, Delivery and Post Installation Services

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

<p>Laboratory Equipment</p> <ul style="list-style-type: none"> • Laboratory Plastic-ware, Glassware & Sundries • Lasers • Liquid Handling Robotics • Mass Spectrometry and Chromatography • Microscopes & Imaging • Multi Modality Imaging Framework • Radiochemicals for use in Research and Teaching • Veterinary Supplies 	<ul style="list-style-type: none"> • Legal Services - 20 lots • Marketing Services (Fully Managed Service) • Marketing Services (Multi Lot) • Media Planning Buying & Associated Services • Media Services • National Education Recruitment • Advertising and Resourcing Services (NERARS) II • Office & Special Moving Services INCL Storage • Pension Services • Recruitment Advertising & PINs 	<p>Telecoms, Post and Mail Room</p> <ul style="list-style-type: none"> • Courier, parcel and international mail services • Fixed Telephony (2014) • JISC Telephony Purchasing Service • JISC Transmission Services & Infrastructure - 2 lots • JISC txt - SMS for Education • National Franking Machines Agreement • Network Enablement Services • Telephony Systems - 11lots
<p>Library and Publications</p> <ul style="list-style-type: none"> • eBooks and eBook Collections (The supply of) • Journal Binding and Book repairs • Library Books, Educational Textbooks & Multimedia Supplies - Lot 5 • Periodicals (The supply of) • Print Books and Standing Orders (The Supply of) 	<ul style="list-style-type: none"> • Relocation Services • Temporary Agency Staffing Services - 7 lots • Temporary and Interim Staff - Administration East (Provision of) • Temporary and Interim Staff - Administration North (Provision of) • Temporary and Interim Staff - Administration West (Provision of) • Temporary and Interim Staff - Catering/Manual East (Provision of) • Temporary and Interim Staff - Catering/Manual North (Provision of) • Temporary and Interim Staff - Catering/Manual West (Provision of) • Temporary and Interim Staff - Interim IT (Provision of) • Temporary and Interim Staff - Interim Professionals (Provision of) • Voluntary Employee Benefits Services 	<p>Travel and Transport</p> <ul style="list-style-type: none"> • Travel and Student Travel Services • Travel Services - one stop shop
<p>Medical</p> <ul style="list-style-type: none"> • Healthcare Student Uniforms 	<ul style="list-style-type: none"> • Voluntary Employee Benefits Services 	<p>Utilities</p> <ul style="list-style-type: none"> • Biomass Framework - Energy Supply Agreement • Biomass -Supply of Wood Fuel (Pellets) Framework Agreement • Liquid Fuels • Natural Gas • Non Domestic Energy Efficiency • Supply of Electricity (HH, NHH and Domestic) • Water and Waste Water Services
<p>Printing</p> <ul style="list-style-type: none"> • External Print and Associated Services • Pre Paid Envelopes (Pre-Paid Impression PPI) • Publishing, Print, Design & Associated Services (Provision of) 	<p>Safety and Security</p> <ul style="list-style-type: none"> • Fire Fighting Equipment Supply & Servicing (The Consortium) • Occupational Health for Staff (re-let) • Personal Protection Equipment (PPE) • Security Services & Equipment 	<p>Vehicle Supplies and Services</p> <ul style="list-style-type: none"> • Payment Solutions - Fuel Cards • Vehicle Hire and Leasing • Vehicle Lease (CCS ref RM 3710) • Vehicle Purchase (CCS ref RM 1070)
<p>Professional and Bought in Serv</p> <ul style="list-style-type: none"> • Audit Services • Cash & Valuables in Transit • Childcare Vouchers Scheme, provision of • ConsultancyONE • Debt Collection Services • Direct Media Recruitment Advertising (re-let) • ePurchasing Card Solution • Executive Recruitment / Headhunters • Government Banking Service • Intellectual Property Rights Services • International Media Planning Buying & Associated Services 	<p>Stationery and office Supplies</p> <ul style="list-style-type: none"> • Document Storage and Related Services (RM 1689) - 4 lots • General Stationery and Office Paper • Office Equipment & Print Estate Audit Services - 2 lots • Office, Computer and Library Supplies • Paper and Specialist Printing Paper • Promotional Goods - 3 lots • Specialist Paper (RM 1078) 	<p>Workshop and Maintenance</p> <ul style="list-style-type: none"> • Electrical Sundries Supply of • Engineering & Design consumables and Storage & Material handling Products • Ironmongery & Trade Tools • Salt For Winter Maintenance • Timber Products

Annex A

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 (6)

Argyll College
The Highland Theological College
North Atlantic Fisheries College ¹
Fraunhofer UK Research Ltd
UHI Shared Services Limited
The James Hutton Institute ²

¹ North Atlantic Fisheries College resigned on 20/10/15

² The James Hutton Institute joined on 20/4/16

Associated bodies (2)

College Development Network
The Scottish Funding Council

Annex B

Directors for the year ended 31 July 2016

Gerry Webber, *University Secretary, Edinburgh Napier University*
Liam McCabe, *Director of Finance, University of Stirling*
Sheena Stewart, *University Secretary, Abertay University*
Mhairi Harrington, *Principal, West Lothian College*
Janet Thomson, *Deputy Principal, Glasgow Clyde College*
Alan Williamson, *Director of Finance, Edinburgh College* ²
Pete Smith, *Vice Principal - Finance and Resources, Borders College* ²
David Ross – *non sectoral director* ¹
Fiona Gavine – *non sector director* ¹
Stuart Paterson – *non sectoral director*
Douglas MacKellar – *non sectoral director*
Angus Warren – *Chief Executive, APUC Ltd*

¹ David Ross resigned from the Board on 19/9/15 and was replaced by Fiona Gavine on 1/1/16

² Alan Williamson resigned from the Board on 13/5/16 and was replaced by Pete Smith on 13/5/16

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