

Annual Procurement Report

1st April 2019 – 31st March 2020

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**Foreword**

This document presenting the Scottish Courts and Tribunals Service’s third Annual Procurement Report reflects a period following which the Procurement function underwent considerable change. We now have an entirely new Procurement Team recruited and embedded into the organisation creating the opportunities to build a more strategic and influential centralised Procurement function. The organisation is also continuing to roll out a full end to end Purchase to Pay using the PeCOS system platform.

In line with our Procurement Strategy the Procurement team has extended our contract coverage and significantly exceeded our savings target for this period as well as extending our profile and guidance to meet the core corporate objective of a well-supported judiciary. This is evidenced below in the increase of contracts awarded for this period and planned Procurements in Section 5.

The Scottish Courts and Tribunals Service is grateful for the support of its partners and stakeholders, not least that of colleagues in the Scottish Procurement and Commercial Directorate of The Scottish Government for supporting the organisational transition in a challenging year in the delivery of its statutory obligations under the Procurement Reform (Scotland) Act 2014.

**Section 1 – Summary of Regulated Procurement Completed**

Regulated Procurement Activity

* 1. As a Scottish public body, The Scottish Courts and Tribunals Service is committed to the principle of transparency which it implements through publishing its regulated procurement activities via the Public Contracts Scotland portal and, where appropriate, the Official Journal of the European Union.
	2. The following table provides a high-level summary of the regulated procurements awarded within the 2019/20 financial year covered by this report.

Table 1. Regulated Procurement Activity 2019/20

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date of award** | **Name of Supplier** | **Subject Matter of Contract** | **Estimated contract value**  | **Start Date** | **End Date** |
| 28/03/2019 | MWS IT Solutions Ltd | IT Consultancy  | £62,000 | 01/04/2019 | 06/09/2019 |
| 10/07/2019 | Harvey Nash | Temporary Recruitment | £96,000 | 15/07/2019 | 15/01/2020 |
| 26/07/2019 | Virgin Media | Network Services | £99,000 | 26/07/2019 | 26/07/2020 |
| 30/07/2019 | BaxterStorey | Fully Managed Catering Service | £5,800,000 | 01/09/2019 | 31/08/2024 |
| 31/07/2019 | Sopra Steria Ltd | Application Design & Development Services | £510,000 | 31/07/2019 | 30/03/2020 |
| 18/09/2019 | Exec Space | Conference Booking | £400,000 | 01/09/2019 | 31/08/2023 |
| 01/12/2019 | C S Consultants (Scotland) Ltd | HR System, Support and Maintenance | £117,000 | 01/12/2019 | 31/03/2021 |
| 12/12/2019 | Actica Consulting Ltd. | IT Consultancy, Digital Recording & Playback System | £95,000 | 09/12/2019 | 31/03/2020 |
| 17/12/2019 | Hays | Temporary Recruitment (Digital Expenses Project Manager) | £78,240 | 17/12/2019 | 29/05/2020 |
| 20/12/2019 | MHR | HR System | £403,000 | 06/01/2020 | 05/01/2023 |
| 30/12/2019 | Lorien Recruitment | Temporary Recruitment (Cyber Sercurity Services) | £69,300 | 20/01/2019 | 31/07/2020 |
| 30/12/2019 | Lorien Recruitment | Temporary Recruitment (Cyber Sercurity Services) | £75,600 | 20/01/2019 | 31/07/2020 |
| 06/01/2020 | BSI Cybersecurity and Information Resilience (UK) Ltd | Information Security Services | £110,000 | 06/01/2020 | 05/01/2022 |
| 24/01/2020 | Eden Springs UK Ltd | Water Coolers | £60,000 | 01/03/2020 | 15/04/2021 |
| 31/01/2020 | Neopost | Franking Machines | £77,000 | 22/06/2020 | 21/06/2021 |
| 04/02/2020 | Sopra Steria Ltd | IT Consultancy, Tribunals Digital System | £162,000 | 04/02/2020 | 24/04/2020 |
| 06/02/2020 | H R Denne Ltd | Corporate Uniforms | £260,000 | 06/02/2020 | 31/12/2022 |
| 07/02/2020 | Storm ID | IT Consultancy, Digital Expenses System | £75,000 | 07/02/2020 | 31/03/2020 |
| 20/02/2020 | Avison Young Ltd | Estate Management Services | £2,150,000 | 01/04/2020 | 31/03/2025 |
| **TOTAL** |  |  | **£10,699,140** |  |  |

 Collaborative Procurement Activity

* 1. The Scottish Courts and Tribunals Service calls off against a number of collaboratively procured frameworks including Scottish Government (SG) and Crown Commercial Service (CCS) as detailed below:
* Desktop Client Services (SG Framework)
* Legal Services (SG Framework)
* Supply of Natural Gas (SG Framework)
* Waste and Water Services (SG Framework)
* Travel Services (SG Framework)
* General Stationery and Office Paper (SG Framework)
* Supply of Electricity (SG Framework)
* IT Consumables (SG Framework)
* Physical and Hybrid Mail Services (SG Framework)
* Courier Service (CCS Framework)
* Cash Collections Services (ESPO Framework)
* Mobile Voice and Data Services (SG Framework)
* Venue Findings Service (SME – SG Framework)
* Scanning Services (Supported Business – SG Framework)
* Storage Services (CCS Framework)
* Interpretation Services (SG Framework)
* PPE Equipment (Scotland Excel)
* Water Coolers (ESPO Framework)
* Franking Machines (CCS Framework)
* Print Services (SG Framework)

Non-Competitive Actions

* 1. Two Non-Competitive Action (NCA) were undertaken during the period covered by this report which was (1) the award, in July 2019, of a public contract without a competitive procurement process to Harvey Nash to appoint an Interim Director of IT and (2) the award, in December 2019, of a public contract without a competitive procurement process to extend our Support & Maintenance of HR System contract via CS Consultants.
	2. Further details in relation to this award are contained in Section 2: Review of Regulated Procurement Compliance.

**Section 2 – Review of Regulated Procurement Compliance**

* 1. Although the Public Contracts (Scotland) Regulations 2015 primarily deal with competition requirements above the Official Journal of the European Union thresholds, the TFEU fundamental principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition apply to all procurement activity regardless of value. The SCTS Financial Scheme of Delegation requires all goods and service contracts over £50k (during the life of the contract) to be awarded by the Procurement Team ensuring compliance to the regulations and in-line with our Procurement Strategy. The Procurement Team are also increasingly awarding contracts for values below £50k in support of growing requests from colleagues for professional procurement support.
	2. This includes contracts which are below the threshold at which advertising in the Official Journal of the European Union is required, and includes contracts otherwise exempt from the application of the EU Procurement Directives. The Procurement Reform (Scotland) Act 2014 introduced a mid-tier Regulated Procurement threshold of £50,000 for Services and £2,000,000 for Works above which competitive procurement exercises are mandated.
	3. An exception to the use of competitive procurement procedures (including suitable frameworks) may be acceptable where any one of the following can be well-argued by a contracting authority:
		1. An already completed OJEU competition has not resulted in any viable responses and the requirements are not substantially altered from those competed by the same body;
		2. Competition is absent for technical reasons;
		3. Exclusive rights, including intellectual property rights have to be protected;
		4. Extreme urgency has been caused by events unforeseeable by the Scottish Courts and Tribunals Service such that the time limits for competitive procedures cannot be complied with;
		5. Additional deliveries are required from an original supplier where a change would force SCTS to buy something with different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance; or,
		6. Works and services being repeated by the same supplier provided that such works or services are part of the same project for which the original contract was awarded from a competitive procedure.
	4. The award of a public contract to Harvey Nash Group on 10th July 2019 to appoint an Interim Director of IT and the contract extension of our Support & Maintenance of HR System contract via CS Consultants on 1st December 2019 were made in the absence of a competitive procurement exercise, thereby not meeting the requirements of the Scottish Courts and Tribunals Service’s own Procurement Strategy.
	5. The direct award decision of a contract to Harvey Nash Group was taken due to extreme urgency to ensure crucial IT services were unaffected following the resignation of the former Director of IT. The contract extension of our Support & Maintenance of HR System was approved for technical reasons to allow elements of the software / service to be incorporated into a new HR system which is due to go live in 2021.

**Section 3 – Community Benefit Summary**

* 1. The realisation of community benefits is integral not only to the realisation of the Scottish Courts and Tribunals Service’s Procurement Strategy, but also underpins our core purpose of supporting justice by providing the people, buildings and services needed to support the judiciary, courts, tribunals and the Office of the Public Guardian in 51 geographical locations with a further 35 remote video witness sites and administrative centres throughout Scotland.
	2. Section 24 of the Procurement Reform (Scotland) Act 2014 defines a community benefit requirement as a contractual requirement relating to training and requirement; the availability of sub-contracting opportunities; or, other actions intended to improve the economic, social or environmental well-being of an area served by a public body, additional to the main purpose of a contract’s subject matter. For the purposes of the Act, an initial threshold value of £4 million has been set by The Scottish Ministers at or above which community benefits must always be considered.

Addressing Fair Work Practices, including the Living Wage, in Procurement

* 1. Following the award of the Facilities Management Contract in 2017, SCTS were awarded the Living Wage accreditation from the Poverty Alliance. Only the Catering contract which expired 31st August 2019 was non-compliant with the accreditation. However as part of the re-tendering process for the new Catering contract the successful supplier has paid the living wage to all employees since 1st September 2019 therefore we are now fully compliant with the accreditation.

**Section 4 – Supported Businesses Summary**

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4.1 Supported Businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged, as specified in EU Directive 2014/24/EU. It is the policy of the Scottish Government that every public body should have at least one contract with a supported business.

4.2 The Scottish Courts and Tribunals Service contracts with Haven Products Ltd under Lot 2 (Document Management Services) of the Scottish Government’s Supported Businesses Framework. We recognise the importance of paying businesses promptly once a service has been performed or goods delivered. Late payment is particularly detrimental to SMEs, the third sector and supported businesses.

4.3 Accordingly, the Scottish Courts and Tribunals Service has a policy of paying undisputed invoices within 10 calendar days of presentation. This is considerably above the statutory duty on all public bodies to pay commercial debt within 30 days.

4.4 The organisation continues to facilitate the involvement of SMEs, third sector bodies and supported businesses to participate in regulated procurement activities.

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| **Section 5 – Future Regulated Procurements Summary**5.1 The following table presents a summary of the regulated procurements that the Scottish Courts and Tribunals Service intend to deliver over the forthcoming financial years of 2020/21 and 2021/22. Please note that this is indicative and may be subject to change.Table 2. Future Regulated Procurements Summary

|  |  |  |  |
| --- | --- | --- | --- |
| **Title** | **CPV & Description** | **Start Date** | **End Date** |
| Criminal Case Management System (COPII) |  48000000 Software package and information systems | 01/05/2020 | 30/04/2023 |
| Provision of Legal Services | 79100000 Legal services | 01/06/2020 | 31/05/2025 |
| Head of Business Architecture & Change Management  | 79000000 Business services: law, marketing, consulting, recruitment, printing and security | 17/08/2020 | 16/02/2021 |
| SCTS website strategy, migration and improvement project | 48000000 Software package and information systems | 28/09/2020 | 27/09/2021 |
| Framework Agreement for the Provision of Consultation Analysis to The Scottish Sentencing Council | 73000000 Research and development services and related consultancy services | 01/10/2020 | 30/09/2024 |
| Digital Expenses System |  48000000 Software package and information systems | 05/10/2020 | 04/10/2022 |
| Bus Lane and Parking Tribunals (CMS) |  48000000 Software package and information systems | 01/11/2020 | 31/10/2022 |
| Social Security Chamber - Digital Case Management System |  48000000 Software package and information systems | 08/01/2021 | 07/01/2026 |
| Construction Professional Services (Various Lots) | 71000000 Architectural, construction, engineering and inspection services | 01/04/2021 | 31/03/2025 |
| Courtroom Technology & Digital Audio Recording System (Including JI) | 79500000 Office support services and 32353000 Sound Recordings | 01/04/2021 | 31/03/2025 |
| Online Situational Judgement Tests |  48000000 Software package and information systems | 01/04/2021 | 31/03/2025 |
| Supply of an e-learning management system | 80000000 Education and training services | 01/04/2021 | 31/03/2025 |
| Unified Communications and Associated Services | 32000000 Radio, television, communication, telecommunication and related equipment | 01/04/2021 | 31/03/2024 |
| VAT Services | 66171000 Financial consultancy services | 01/04/2021 | 31/03/2026 |
| Provision of Cash Collection Services | 79710000 Security services | 01/04/2021 | 31/03/2025 |
| Provision of Occupational Health Services | 85000000 Health and social work services | 01/04/2021 | 31/03/2025 |
| Signage | 44423400 Signs and related items | 01/05/2021 | 30/04/2025 |
| Merchant Accruing Services  | 66110000 Banking services | 15/05/2021 | 14/05/2025 |
| Principal Contractors Framework for Building Refurbishment Retender | 45000000 Construction work | 01/07/2021 | 30/06/2025 |
| Pool Car Fuel Cards | 66110000 Banking services | 21/03/2022 | 30/03/2026 |
| Facilities Management Contract | 79993000 Building and facilities management services | 01/05/2022 | 30/04/2027 |

5.2 Where appropriate, the Scottish Courts and Tribunals Service will publicise all contract opportunities via Contract Notices for Regulated Procurements and/or Prior Information Notices for contracts above the OJEU threshold on the Public Contracts Scotland Website. |  |

**Section 6 – Other Content for Consideration**

6.1 As part of our overall Procurement Strategy we recognise the importance of Contract and Supplier Management for the organisation. As a result a Contract Management Strategy was approved in May 2019. This involved the Procurement Team taking the lead on managing over 25 business critical contracts/suppliers with stakeholders to ensure improved performance, efficiency savings and sustainability targets are being met. The Procurement team are now managing 32 business critical contracts/suppliers with plans to increase this further throughout the year.

6.2 As referenced above the Financial Scheme of Delegation was changed to ensure all contracts over the regulated level are awarded by the Procurement Team ensuring governance and compliance.

6.3 To support our new Strategy we now have a team of 8 Procurement professionals (including an under-graduate placement) and funding was received to allow staff to complete their Chartered Institute of Purchasing and Supply professional qualifications.

6.4 During the period of this report the Procurement Team were able to achieve real term and cost avoidance savings of £1.524m.

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