

Advanced Procurement  
for Universities & Colleges

**Annual Report  
2012/13**



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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 2012 -13.

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

Starting with the latter, the proportion of sector spend reported during the year going through collaborative agreements rose to circa 28% (a 47% increase) as reported for the 2011/12 year with benefits reported for the year being circa £15m from collaborative contracting alone (2012/13 data is being validated currently and will be reported during the 2013/14 year). There are now 16 institutions benefiting from local shared services arrangements, and the College Services team continue to provide expertise and benefit to Colleges. Good progress was demonstrated in the fourth round of the Procurement Capability Assessment programme with 78% now in the Improved and Superior categories.

The Procurement Reform Bill commenced its consultation phase in the reporting year and APUC, representing the sector, was in ongoing dialogue with the Scottish Government to ensure that the HE/FE sector's inputs were duly considered.

The Scottish Government also launched a review of Construction Procurement across publicly funded sectors in early 2013. This was due to report its findings in Q4/2013. APUC worked in partnership with the Procurement Strategy Group and the Scottish Association of University Directors of Estates to effectively represent the position of the University and College sectors.

The college merger programme progressed significantly in the year with the formation of Edinburgh College and SRUC in October 2012. A further 4 new colleges (Ayrshire, West College Scotland, Fife and Glasgow Clyde) completed their governance related merger activities in readiness for launch in August 2013. These 6 merged institutions replaced a total of 17 former colleges.

On top of the merger activities, it also became clear that the Office of National Statistics was reclassifying incorporated FE Colleges as general / central government bodies. This brings a significant change to the reporting and related management activities in affected Colleges. APUC has worked with the College sector and the Scottish Government to understand the procurement related impacts of the reclassification. After dialogue, APUC was able to confirm that the College sector will not have to comply with the much lower central government body EU tender threshold and can continue to operate to the current higher limits. It was also confirmed that the College sector will continue to be aligned to APUC as their Centre of (procurement) Expertise.

During the year, APUC's Performance Review and Development process was fully embedded. The review procedure measures staff performance against the objectives of the Strategic Plan which is regularly updated to align with the developing requirements of the sector.

A web-portal tool was launched to provide a facility for suppliers to electronically input all collaborative contract spend. This was linked to APUC's Hunter contract management tool and is speeding up the Management Information gathering process.

The Strategic Category work streams were expanded to cover new categories of HR, Laboratories and Library. The original spend categories moved ahead with the implementation of both the Estates Category Strategy and the ICT Category Strategy. Strategies for the new categories are due to be published during 2013/14.

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, Procurement Network Workshops, and Strategy Group meetings were all well supported.

A Client Satisfaction Survey was conducted in 2012/13 and overall feedback was positive indicating that APUC is working very well in delivering desired outcomes.

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 2012-13 Financial Statements and associated reports are available on the APUC website at [www.apuc-scot.ac.uk/corpinf.htm](http://www.apuc-scot.ac.uk/corpinf.htm)



## Summary of key actions and achievements August 2012 – July 2013

Area	Key actions and achievements
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Performance Review and Development process now embedded and being routinely used to measure staff performance against the Strategic Plan Objectives</li> <li>• Institutionally based procurement shared service resources now in place for 16 institutions.</li> <li>• APUC providing continued support to merging colleges to ensure effective procurement is in place for the planned organisations.</li> <li>• Managed sector inputs to the consultation phase of the Procurement Reform Bill</li> </ul>
<b>Client Engagement</b>	<ul style="list-style-type: none"> <li>• Chief Executive meeting with all institutions at least annually.</li> <li>• Senior managers also meeting with institutions on a regular basis.</li> <li>• Client Satisfaction Survey conducted in 2012/13 with overall positive feedback.</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>• Significant cost savings for colleges continued to be achieved through support for tender preparation.</li> </ul>
<b>Operational Procurement</b>	<ul style="list-style-type: none"> <li>• 138 contracts available at the end of the year to institutions valued at £305M.</li> <li>• New Strategic Category work streams established for HR, Laboratories and Libraries.</li> <li>• Equipment Database and Maintenance (EDAM) online resource launched and web interface commissioned.</li> <li>• The percentage of sector spend going through collaborative agreements as reported in 2012/13 (for 2011/12 data) has increased by 47% to 28% (2012/13 data will be reported during the 2013/14 year)</li> </ul>
<b>Sustainable Supply Chain</b>	<ul style="list-style-type: none"> <li>• Sustainable supply chain development project established and Supply Chain Sustainability Policy, Supply Chain Review and Audit Strategy and Supply Chain Suppliers Code of Conduct created</li> </ul>
<b>Benefits Tracking</b>	<ul style="list-style-type: none"> <li>• Benefits from collaborative contracting alone reported in the year (based on 2011/12 spend) was £15m.</li> <li>• Spend on collaborative contracts by the sector for the 2012/13 year (subject to validation) was £204.6M an increase of 22.5% over the previous year.</li> </ul>
<b>eSolutions</b>	<ul style="list-style-type: none"> <li>• All institutions were supported on use of e-procurement related solutions</li> <li>• Hunter database installed in 26 institutions including all purchasing consortia and further installations planned</li> <li>• UKUPC Supplier MI website rolled out to all APUC Agreement Suppliers</li> <li>• Collaborative Content Management (CCM) system went live in September 2012 with all APUC catalogue content available</li> <li>• APUC trained institutions in the use of the PCS-T system</li> </ul>
<b>Process and Best Practice</b>	<ul style="list-style-type: none"> <li>• Annual review of procurement training and development needs.</li> <li>• Training Plan for institutions maintained.</li> <li>• Fourth round of Procurement Capability Assessments (PCA) (including a "Lite" version for smaller institutions) completed with significant improvements achieved.</li> <li>• APUC's PCA was conducted in September by the Scottish Government and a 'Superior Category' rating was achieved</li> </ul>

## High level data summary and year end comparisons

Key Parameters	2011-12	2012-13
Member institutions (full and associate)	60	59
Collaborative contracts available with Buyers Guides in place	131	138
Contracting categories in research phase	Not reported	40
Institutions being supported as users of e-procurement solutions	48	48
Institutions being supported in use of MI tools and other procurement related tools	Not reported	59
Average number of Collaborative Agreements in use per institution	Not reported	55
Number of institutions using APUC provided shared service staff at institution level	Not reported	16 (3 HE and 13 FE)

## Highlights of operational & strategic activities August 2012 - July 2013

### General

A totally aligned Performance Review and Development process is now being used to drive progress against the Strategic Plan.

Sector inputs to the consultation stage of the Procurement Reform Bill were collated with APUC's assessment and presented to government by APUC on behalf of the sector.

### College Services

As agreed by the sector, a Head of College Services to oversee the activities of the team was appointed in August 2012. This was not a new FTE but instead a variation to an existing management resource.

The total number of contracts supported by the college services team in the year by the end of July 2013 was as follows:

- Contracted: 34
- total value: £5.9M
- number of colleges: 16
- savings over: £1.2m

A further 48 were in progress (£24.3M) and 96 planned (£5.5M) across 26 colleges.

The team also continued to provide support for merging institutions.

### Sustainable Supply Chain Development Programme

A sustainable supply chain development project was established and moved ahead significantly during the year. A new Supply Chain Sustainability Policy, Supply Chain Review and Audit Strategy and Supply Chain Suppliers Code of Conduct were created in conjunction with a review group made up of APUC and Edinburgh and Aberdeen University staff, with students from Aberdeen and Edinburgh which included representatives from the NUS and People and Planet. Input was also gathered from the APUC Strategy Groups. A questionnaire, driven by the code of conduct content, was then developed and build of a website started (due early 2014) to enable suppliers to be assessed at an initial level in an automated manner which will allow risks to be assessed and the appropriate follow on actions to be established. UUK are aware of this project and are following it with interest.

A Management Trainee programme was also established with three trainees initially spending time in APUC, then moving on to gain work experience at the universities and colleges.

### Governance

At the APUC Annual General Meeting in May 2013, University sector representative Pat Briggs, Robert Gordon University finished her time on the Board and, prior to the AGM, Gerry Webber, Edinburgh Napier University, was elected to take her place. The appointment was confirmed by election as part of the AGM formalities. 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.

### Procurement Capability Assessments (PCAs)

Following on from a year where a number of institutions had exemptions (through high scores being achieved in the previous years) of assessments in 2011, all but seven in-scope institutions in Scotland received a PCA in 2012.

The 2012 assessment results showed a healthy overall improvement from those obtained in 2011. Some of the key findings to note are:

1. The average score for all institutions increased from 52% to 58% moving the average score further into the 'Improved' category of assessment.
2. There are now 3 institutions in the 'Superior' category
3. There are now no institutions in the 'Non-Conformance' category.

The positive progress achieved demonstrates that the university and college sectors in Scotland have made very good progress in improving procurement capability.

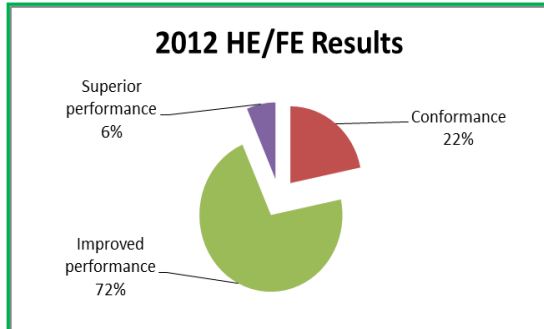
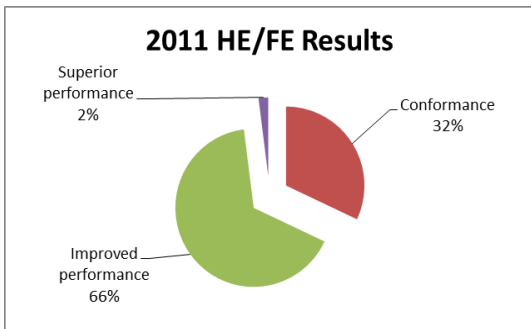
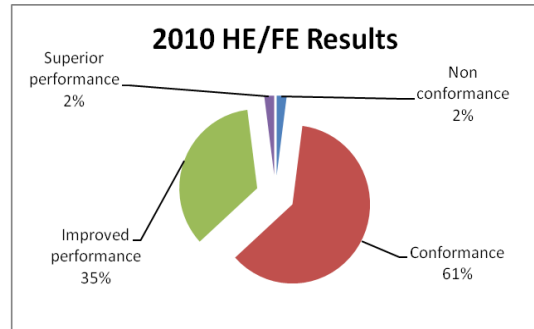
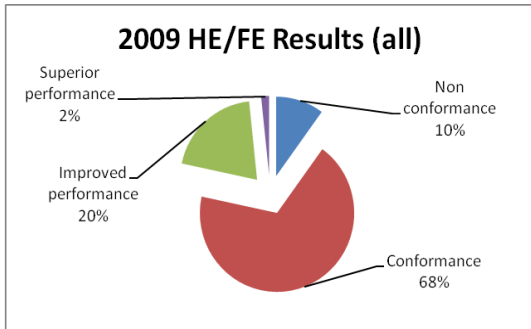
Most institutions are actively exploring ways in which they can drive further improvements.

Given the changes and financial pressures that are impacting upon the sectors it is important that all institutions remain fully engaged with the PCA programme so that they may continue to secure measurable value for money improvements through the delivery of procurement reform and enhanced procurement capability.

A workshop was held in March 2013 to review the 2012 PCA results and highlight any areas for further improvement going forward, as well as to share best practice between institutions.

A refined PCA has been developed for use in the fifth round and the sector is expected to continue its good progress towards a steady state of procurement capability excellence

The PCA results for the HE/FE sector, showing the improvements achieved, are set out on the following page.





## Fig 1 - Collaborative Contracts available with Buyers' Guides

• Apple Agreement	• Hair & Beauty	• Oligo Bases and Custom Made Oligo
• Applications and Web Development Services	• Hand Dryers	• Overpayment Recovery Services
• Audio Visual Consumables	• Healthcare Student Uniforms	• Pan Government Vehicle Leasing and Fleet Outsource Solution Framework - RM858
• Audio Visual Equipment	• HR & Payroll Systems	• PAT Testing Services
• Audiovisual Equipment Supply, purchase, maintenance, repair & Hire	• Industrial Gases	• Payment Card Solutions & Associated Services Framework Agreement
• Automatic Meter Reading	• Insurance (Non Life) for 5 colleges in Scotland (Avail to James Watt, Adam Smith, Jewel & Esk, Dumfries & Galloway and Stevenson College Only)	• Pecos Integration Support
• Biomass Framework - Energy Supply Agreement	• Insurance - Framework (Focus on Colleges/Small HEI's)	• Periodicals (The supply of)
• Boiler Maintenance	• International Airmail	• Pest Control
• Books & Standing Orders	• IT Consumables	• Photographic Equipment & Consumables
• Building Materials	• IT Hardware - Mobile and Desktop	• Plumbing & Heating Consumables
• Business Travel One Stop Shop	• IT Peripherals	• Postal Services
• Business/Management Consultancy	• IT Related Accessories & Parts (ITRAP)	• PPE (Personal Protection Equipment)(Supply of), First Aid, Corporate Wear and Staff Uniforms, Food Industry Clothing, Sports Clothing, Personalised Clothing and Medical Clothing
• Cash in Transit	• IT Services Managed Services	• Pre Paid Envelopes
• Catering Equipment - Commercial	• JANET - 3G (Mobile broadband service)	• Professional Buying Tools
• Catering Sundries - Supply & Delivery of	• JANET - Data Centre & Cloud Services (JA.net Brokerage)	• Provision of Lift Maintenance Services
• Childcare Vouchers Scheme (The Supply and Delivery of)	• JANET - Transmission Services & Infrastructure (Telecommunications)	• Radiochemicals for use in Research and Teaching
• Cleaning Materials and Disposable Paper Products	• JANET txt - SMS for Education	• Rail, Air, Hotel and Conferencing for 8 Institutions
• Courier & Parcel Services	• Journal Binding and Book repairs	• Recycling Bins
• Courier Services	• Laboratory Equipment (Purchase)	• Road Maintenance Materials
• Culture Media	• Laboratory Equipment Maintenance & Repair Services Agreement (LEMS)	• Road Surfacing
• Dairy Products	• Laboratory Plastic-ware, Glassware & Sundries	• Routing and Switching Equipment
• Data Centre Equipment & Consultancy	• Laundry Cleaning Services	• Salary Sacrifice Management Service
• Debt Collection Services	• Legal Services - General Commercial - Lots 1, 6, 11 and 16	• Salt For Winter Maintenance
• Decorators Materials (Goods)	• Library General Supplies - General Supplies	• Scanning Electron Microscopes
• Diffraction Apparatus	• Liquid Fuels - Fuel Cards	• Sequencers
• Door Maintenance, Repair, Inspection and Including Supply	• Magnetic Resonance Imaging Scanners	• Signs / Signage
• E-books	• Mass Spectrometry and Chromatography Equipment	• Soft Furnishings
• Electrical Sundries Supply of	• Media Buying & Planning (Advertising)	• Software License Reseller - Microsoft Software
• Electronic Components	• Media Services	• Solvents, Alcohols, Acids and Dueterated Solvents
• Employee Assistance Programme	• Microscopes and Imaging	• Sports Equipment / Vocational
• Executive Recruitment / Headhunters	• Microsoft Campus Agreement (EDUSERV)	• Supply of Electricity (HH, NHH and Domestic)
• External Print Services	• Mobile Lines / Calls - Restricted Access (?)	• Temporary and Interim Staff
• Facilities Management	• Multi Modality	• Timber Products
• Finance Systems	• National Desktop and Notebook Agreement - Desktops	• Tool Hire
• Fine Chemicals	• National Education Printer Agreement	• Transmission Electron Microscopes
• Fire Protection Services (non-alarm)	• National Franking Machines Agreement	• Vehicle Hire and Leasing
• Fixed Telephony Services	• National Server and Storage Agreement (NSSA)	• Vehicle Purchase
• Fixed Wire Testing	• Natural Gas	• Veterinary Supplies
• Floor Coverings	• Network Equipment	• Video Conferencing
• Framework for Supported Factories and Businesses	• NMR Mass Spectrometers	• Washroom Services
• Fresh Bakery Products	• Notebook and Tablet Devices	• Waste Management / Multi Lot
• Fresh Butcher Meat	• Occupational Health for Staff and Healthcare Students	• Water & Wastewater Services
• Fresh Fish & Seafood	• Office & Special Moving Services INCL Storage	• Water Quality Management (Legionella) 3 Lots
• Fresh Fruit & Vegetables	• Office Equipment & Print Estate Audit Services	• Web Conference Services (B)
• Fuel Cards	• Office Supplies (Stationery, Paper)	• White Goods
• Furniture (including Teaching Boards and Storage Solutions)	• Office Supplies and Computer Consumables - lot 1 stationery	• Window Coverings

## Annex A

### List of member institutions

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

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 Abertay, Dundee  
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 (37)

Aberdeen College  
Adam Smith College  
Angus College  
Anniesland College  
Ayr College  
Banff and Buchan College  
Borders College  
Cardonald College  
Carnegie College  
City of Glasgow College  
Clydebank College  
Coatbridge College  
Cumbernauld College  
Dumfries and Galloway College  
Dundee College  
Edinburgh College  
Forth Valley College  
Inverness College  
James Watt College  
John Wheatley College  
Kilmarnock College  
Langside College  
Lews Castle College  
Moray College  
Motherwell College  
Newbattle Abbey College  
North Glasgow College  
North Highland College  
Orkney College  
Perth College  
Reid Kerr College  
Sabhal Mòr Ostaig  
Shetland College  
South Lanarkshire College  
Stow College  
West Lothian College  
West Highland College

#### Associate members (5)

Argyll College  
The Highland Theological College  
North Atlantic Fisheries College  
Fraunhofer UK Research Ltd  
Colleges Scotland

#### Associated bodies (1)

The Scottish Funding Council

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## Annex B

### Directors for the year ended 31 July 2013

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*  
Andrew Haddon, *Principal, Langside College*  
John Doyle, *Principal and CEO, Coatbridge 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*

Patricia Briggs, Robert Gordon University finished her time on the Board during the reporting period and was replaced by Gerry Webber, Edinburgh Napier University.

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