



Scottish Government  
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# Scottish Government Procurement Annual Report

August 2019

(Reporting Period April 2018 – March 2019)

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# 1. Introduction

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**The [Procurement Reform \(Scotland\) Act 2014](#) forms part of the public procurement legislation that governs how Scottish public bodies buy their goods, works and services and allows us to maximise the economic benefit brought to Scotland from effective and efficient public procurement activity.**

The Act requires public bodies to publish procurement strategies to set out how they intend to carry out their regulated procurements and publish Annual Procurement Reports which describe how their procurement activities have complied with these strategies. This report reflects our performance as a contracting authority but also includes reference to some of the broader activities of the Scottish Government in leading and delivering procurement policy and capability across the Scottish public sector procurement landscape.

We are required to review our Procurement Strategy on an annual basis to ensure it remains relevant and fit for purpose. This Annual Report demonstrates our delivery against the commitments set out in our updated [Procurement Strategy](#) for the period 1 April 2018 to 31 March 2019. The updated strategy was published on 29 March 2018 and said we would:

- a) provide summary information on regulated procurements we have completed during the period;
- b) review whether those procurements kept to our strategy; and
- c) provide a summary of regulated procurements we expect to begin in the next two financial years.

## 2. Reporting Period Highlights

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In the period April 2018 to March 2019:

### Power of procurement

- Scottish public sector bodies spent £1.12 billion on goods and services through our contracts to support delivery of public services.
- Our contracts saved the public sector £148 million.

### Good for businesses and their employees

- In addition to enabling SME spend across Scotland through our national contracts, the Scottish Government's spend with SMEs increased by 15% to £103 million with over 1,000 SMEs benefitting directly from our business.
- Additionally, three-quarters of our 800 SME sub-contractors were based in Scotland, winning work in our supply-chain worth £44 million.
- We paid 99% of valid invoices within ten days, getting cash into the economy as quickly as possible.
- 93% of our suppliers with current live contracts are committed to paying at least the Real Living Wage.

### Good for places and communities

- Our contracts enabled the creation of 212 new jobs, 41 apprenticeships, 109 work placements and 96 qualifications to be achieved through training.
- Our Warmer Homes and ICT Hardware contracts will contribute to CO<sub>2</sub> savings of over 38,000 metric tons.

### Good for society

- We appointed six suppliers to a new Supported Business framework with an advertised value of £12 million.

### Open and connected

- We delivered our Open Government commitments to consult with civil society and publish contract documentation.

# 3. Key Priorities

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Procurement is a key part of the Scottish Government's approach to achieving its purpose of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable and inclusive economic growth. This is underpinned by the [National Performance Framework](#), by [Scotland's Economic Strategy](#) and our annual [Programme for Government](#) which sets out our plan for policy delivery and legislation over the next year.

The [sustainable procurement duty](#), outlined in the Procurement Reform (Scotland) Act 2014, aligns with this purpose and is underpinned by the National Performance Framework.

The [National Outcomes](#) and Indicators are embedded in the sustainable procurement tools which provide a structured approach to what we procure. They help identify opportunities to include economic, social and environmental considerations in contracts and show how our procurement activity contributes to the National Outcomes and, in turn, to Scotland's Economic Strategy.

To support this for each procurement project valued at £50,000 or over, we develop sourcing strategies that are supported by the [Sustainability Test](#) and where appropriate the [Sustainable Public Procurement Prioritisation Tool \(SPPPT\)](#)

Compliance with the sustainable procurement duty is how we contribute to, and track our contribution to the Scottish Government's purpose and priorities. Key priorities are defined in Scotland's Economic Strategy as:

- promoting **inclusive growth** and creating opportunity through a fair and inclusive jobs market and regional cohesion;
- **investment** in our people and our infrastructure in a sustainable way;
- fostering a culture of **innovation** and research and development; and
- promoting Scotland on the **international** stage to boost our trade and investment, influence and networks.

### 3.1 Inclusive growth

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We have defined inclusive growth as 'growth that combines increased prosperity with tackling inequality; that creates opportunities for all and distributes the dividends of increased prosperity fairly'.

Procurement contributed to inclusive growth and local economic wellbeing by:

- providing community enhancements in addition to training and employment opportunities and local community benefit;
- driving Fair Work practices;
- using our market knowledge, systems and processes to improve access to our contract opportunities for SMEs, the third sector and supported businesses; and
- seeking low carbon solutions.

Examples of our contribution are included within the relevant sections of this report.

### 3.2 Investment

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Infrastructure investment to create jobs, help businesses and support delivery of better and modern public services and growth in the Scottish economy remains a top priority for the Scottish Government. Our infrastructure investment project pipeline is available at – <http://www.gov.scot/Topics/Government/Finance/18232/IIP/IIPProjectPipelineUpdate>

Procurement underpins our investment in people, infrastructure and assets. We used well-designed procurement of goods, services and works as a driver of business growth and innovation with many of our procurement projects directly enabling the Scottish Government's wider ambition in this regard.

Examples of our approach and commitment in this area include the following.

#### Scottish 4G Infill Programme

During the reporting period, the Scottish Government made a grant funded investment of up to £25 million in the Scottish 4G Mobile Infill (S4GI) programme which aims to push 4G coverage beyond commercial rollout. S4GI will deliver future-proofed, 4G mobile infrastructure and services to selected mobile 'not-spots' throughout Scotland. The programme is currently focusing on the deployment of 45 mast sites, over the course of four years. Deliverability of mobile services to these challenging locations will be dependent on a number of factors, primarily the supplier's ability to secure the commitment from at least one mobile network operator to deliver 4G mobile services from each site. The contract also makes provision for a Community Benefit Fund to be used towards providing support for connectivity related projects run by local community groups. It is envisaged that the fund will be active from 2020.

### Non-Domestic Energy Efficiency Framework

Our Non-Domestic Energy Efficiency framework delivers energy-efficiency retro-fit works into public sector buildings. During the reporting period, investment in these projects to improve public service infrastructure and assets amounted to almost £14 million across five separate providers and nine public bodies. It is anticipated that these projects will deliver annual savings to public bodies totalling almost £800,000.

### Next Generation Access (NGA) Infrastructure

To help achieve the Scottish Government's commitment to provide all homes and businesses across the country with access to superfast broadband, we undertook extensive dialogue during 2018/19 to inform the £600 million Reaching 100% (R100) procurement process. By promoting competition, this process should also enable better outcomes for the people of Scotland, with contracts due to be awarded later this year.

### Construction Procurement

In December 2018, we published the "[Construction Procurement Handbook](#)". This was the first of three handbooks, which together will comprise the updated "Construction Manual", assisting contracting authorities to successfully develop and deliver their construction projects and to effectively manage risk and achieve value for money. We will also look to provide further guidance on additional aspects of the development and delivery of construction projects throughout their whole life cycle, through the publication of additional handbooks.

As committed in the Economic Action Plan, we established a new strategic Leadership Forum between the Scottish Government and Construction Scotland and we look forward to working collectively to form a refreshed and stronger relationship between the industry and government around a set of common goals to help the sector grow.

### 3.3 Innovation

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The Procurement Reform (Scotland) Act 2014 places a duty on public bodies to consider how, through their procurement activities, they can promote and support innovation in the way in which public sector services are provided in Scotland.

The cross-sectoral procurement Innovation Leadership Group was established to improve the outcome of innovation related projects and the 2018/19 Programme for Government included a commitment to set up “Innovation Partnerships”.

#### Achieving Policy Goals

Our approach to using innovation as a means of achieving policy goals, delivering sustainable growth and enhancing value for money for money for public services was recognised in the European Commission’s [Guidance Note on Innovation Procurement](#) published in May 2018.

The Guidance Note recognised the success of our approach to delivering a wide range of training and guidance to the public sector in Scotland so that they would understand the policy priorities and flexibilities afforded by the Procurement Reform (Scotland) Act 2014 and in particular the introduction of the sustainable procurement duty designed to deliver added social and environmental benefits.

#### Innovation Partnerships

During the reporting period we have worked collaboratively with other public bodies in the Health and Local Authority sectors, to establish the Innovation Partnership procurement process which is designed to allow the co-development of new public services with the private sector.

During the reporting period we commissioned two projects. The first of these seeks to remove or reduce the bottleneck for gastrointestinal disease and bowel cancer risk assessment by negating the need for more invasive test procedures to be carried out in hospital. The second project is aimed at finding a solution to pre-emptively identify and mitigate the main typologies of illness resulting in loss of focus, fatigue consciousness or paralysis amongst tram drivers, which could create conditions for loss of capacity.

#### CivTech® Programme

Our CivTech® Programme continues to address public service challenges in an innovative way, rather than relying on established methods. The project involves public organisations setting civic challenges which smaller businesses are encouraged to tackle using innovative solutions. It enables the rapid development of creative, cost-effective solutions delivered by those businesses. CivTech® is providing pathways for tech SMEs and start-up businesses to secure public sector contracts. It offers real opportunities to deliver even better services for people and even better value for service providers.



The CivTech® approach is valued in procurement because of the innovative way it finds solutions to challenges and helps solve the problem of “how do we procure technology that we don’t know exists”?

Started in 2016 as a pilot, CivTech® was the first pan-public sector tech accelerator of its kind and has already demonstrated its ability to build businesses and create jobs, while driving improvement in the delivery of public services as well as enhancing our international reputation for innovation.

CivTech® 3.0, the third cycle of this initiative, launched in June 2018 with ten challenges ranging from tackling illicit trading; improving hospital waiting times; to driving up standards in social housing and protecting the digital footprint of young people. In addition, CivTech®, working with Scottish Government procurement has further innovated on its model and successfully demonstrated an approach to putting citizens at the heart of innovation procurements. The CivTech® Wildcard Challenge saw young people from Stirling lead a Challenge Sponsor Team which went on to win the Citizen Collaboration award at the Holyrood Connect Scottish Public Sector ICT awards in recognition of their groundbreaking work.

### Dynamic Purchasing Systems (DPS)

During the reporting period, we continued to develop our innovative approach to the procurement of Digital Technology Services. We expanded our available Dynamic Purchasing Systems (DPS) to include arrangements for Telephony Services and Network Advice and have plans to extend further to include Internet of Things during 2019. Our DPS arrangements have so far provided over 400 suppliers (98% of which are committed to paying the Real Living Wage and 79% of which are SMEs) with direct access to Scottish public sector opportunities forecast at over £80 million.

### 3.4 Internationalisation

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Our approach to improving public procurement is recognised internationally whether it be in developing suppliers, leading innovation, or through our international engagement in supporting the development and sharing of best practice.

Our involvement with suppliers and their supply chains is aimed at developing their potential to bid for public contracts, whether they are advertised in Scotland, the UK or further afield in Europe or the rest of the world.

Within the reporting period, we continued to progress the implementation of our [Open Contracting Strategy](#) by:

- including a new “Transparency Clause” in our standard terms and conditions of contract, which informs bidders of our intention to proactively publish contract documents; and
- further developing [Public Contracts Scotland \(PCS\)](#), to ensure that more of the procurement information published on the website is in line with the internationally recognised Open Contracting Data Standard (OCDS). This means that more data is now available in open, reusable formats that enable greater transparency.

We made a number of new commitments in [Scotland’s Open Government Action Plan: 2018-2020](#) which will further increase procurement transparency and participation.

These include:

- consultation with civil society on how best to make published procurement information useful and accessible to a wide audience;
- publication of Scottish Government contract documentation, starting with large collaborative frameworks; and
- publication of Scottish Government procurement related spend.

We benchmarked and promoted several of our collaboratively developed national tools, leading global practice and promoting Scotland on a world stage. We demonstrated our [Procurement Journey](#) tool to representatives of other governments and shared the development and management processes used to create this with a number of government departments across the UK and the rest of the world.

- The refreshed [Procurement and Commercial Development Framework](#) (and supporting online App) was launched, designed to assess skills, identify training needs and support career planning within the procurement function.
- These and other Scottish Government tools and approaches have been cited as exemplars of best practice in European publications, and as a result we were invited to support the EU Commission in the development of a European Competency Framework for Public Buyers.

We were asked to participate in international programmes, conferences and events and also hosted visits from other governments. During the reporting period these included.

### eCommerce Solutions

- Participation in the ‘European Commission’s Multi-Stakeholders Expert Group’ on eProcurement (EXEP) which assists and advises Member States and the Commission on the implementation of the electronic procurement provisions contained within the European Public Procurement Directives.
- Invitations to present and host workshops on our approach to eCommerce including at the World Bank’s Global Conference on eProcurement; European Commission’s UK eProcurement Workshop and in online webinars with Member States supported by the Connecting Europe Fund.

### Procurement of Innovation

We are;

- a member of the Advisory Committee of the European Innovative Procurement for Health Innovation, an EU funded initiative to foster the introduction of innovation in healthcare through procurement: and
- a recognised Competence Centre for Procurement of Innovation (PoI) within Europe with active participation in the [Urban Agenda Partnership for Innovative and Responsible Public Procurement](#).

# 4. Contracting activity and how our procurement activity contributes to sustainable and inclusive economic growth

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## 4.1 Summary of regulated procurements completed between April 2018 – March 2019

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We recognise the power of procurement and our contracts continue to deliver a wide range of economic, social and environmental benefits which are good for businesses, people and communities.

During the reporting period we managed 405 live contracts worth £6.2 billion, issued 223 Invitations to Tender, and awarded over 100 new contracts regulated by the Procurement Reform (Scotland) Act 2014 with a total value of over £2 billion.

Through the inclusion of Fair Work criteria in our procurement activity our contracts continue to make a positive contribution to achieving good and sustainable employment for people working on public contracts. Ninety-three percent of our suppliers with current live contracts have committed to paying at least the Real Living Wage.

During the reporting period our contracts generated savings of £148 million.

Details of our contract awards are available on the [Public Contracts Scotland](#) website. Our website contains [more information on our current collaborative agreements](#).

## Spend Summary

The table below shows spend on collaborative frameworks (established by Scottish Ministers, but available to all Scottish public sector bodies) and contracts used by core Scottish Government organisations.

Category	Spend (£m)	Saving (£m)	Savings (%)
Collaborative (National and Central Government sectoral framework contracts)	£908.6	£128	14%
Scottish Government contracts	£213.2	£20	9.4%
<b>Total</b>	<b>£1,121.8</b>	<b>£148</b>	<b>13.2%</b>

Additionally, our Central Government Procurement Shared Services (CGPSS) team awarded 26 contracts worth £10.2 million and generated savings of £350,000. Over half of these contracts were awarded to SMEs. These contracts were placed on behalf of other central government bodies separate to the Scottish Government and, if applicable, will be reported by them separately.

## 4.2 Review of whether our procurements kept to our Procurement Strategy published on 29 March 2018

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Our [Procurement Strategy](#) sets out how we plan to carry our regulated procurement exercises. This annual report reflects on whether those procurements complied with that strategy during the period April 2018 to March 2019.

During that period, all regulated contracts were awarded in a way that meets the policies and principles set out in the strategy, and throughout this report we explain how this has been achieved.

We recognise the importance of those responsible for procurement having an appropriate level of delegated authority. Key to this is ensuring that those involved in awarding and managing contracts have the professional skills, knowledge, qualifications and experience to do so and that we continue to invest in their skills and capability development through our [Procurement Competency Framework](#).

Our scheme of 'delegated purchasing authority', means that no member of staff is authorised to enter into a contract on behalf of Scottish Ministers without written delegated authority to do so from our Director of Procurement. That delegated authority is only given to those who can demonstrate they have the right skills, competencies and knowledge of our procurement policies and legal obligations.

Our programme of commercial capability training has continued, targeting all Scottish Government civil servants involved in buying goods, works and services, to ensure they understand and can contribute to our wider commercial and sustainability ambition. Commercial capability offerings were highlighted and trialled during our first Commercial Awareness Week in May 2018, with an ongoing programme of activities.

## 4.3 Summary of regulated procurements in the next two financial years

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In the next two years we anticipate starting around 140 procurements worth a total of almost £2 billion. A full list of known regulated procurements is in [Annex A](#).

Additional information regarding planned collaborative procurements can be found [here](#).

In the next two years we also expect that:

- over 60 contracts will be awarded for the sole use of the Scottish Government, with an approximate value of £161 million;
- in addition, 20 contracts worth around £187 million will be awarded in relation to the specific services required to support the additional powers devolved to the Scottish Government by the Scotland Act 2016; and
- around 30 collaborative contracts will be awarded on behalf of Scottish public bodies, with an approximate value of £2.1 billion.

# 5. Sustainable procurement and our approach to engaging SMEs, the third sector and supported businesses

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We use the power of procurement to deliver outcomes that are good for businesses and employees; good for place and communities and good for society. This includes improving access to public contracts for SMEs, the third sector and supported businesses which is a key part of our approach to meeting the sustainable procurement duty. We also implement low carbon solutions and waste reduction strategies where appropriate.

## SMEs

We continue to develop our procurement strategies to make our contracts more accessible and provide opportunities for SMEs to tender, win and deliver public sector contracts. As a result, in our collaborative procurements we consider splitting up larger value contracts and frameworks into specialist or geographical requirements. We also consider placing multi-supplier frameworks in order to create other supply chain opportunities wherever possible. And, we actively seek out opportunities for SMEs, third sector and supported businesses to compete within our supply chains. Our approach enhances the opportunities for smaller firms that otherwise might not be able to bid.

For example, as a result of the competitive tender exercise for a collaborative Print Services framework, Scottish Procurement awarded a total of 16 contracts to 14 suppliers across three separate Lots. All 14 suppliers appointed to the framework agreement were SMEs, 11 of which were Scottish based.

As a direct result of Scottish Government procurement activity:

- almost 60% of the 270 suppliers delivering our regulated contracts during the reporting period were SMEs;
- the Scottish Government's direct spend with SMEs increased by 15% to £103 million with over 1,000 SMEs benefitting directly from Scottish Government business (Annex B); and
- three quarters of our 800 SME sub-contractors are based in Scotland and won work in our supply chain worth £44 million.

To help SME and third sector organisations who wish to tender for public sector contracts, we invest in the Supplier Development Programme which assists businesses to become tender ready for public procurement and improve their prospects of success when competing for public sector contracts.

## The Third Sector

We deliver support to individual third sector organisations tendering for contracts. This includes training in how to get ready to tender, and tender writing through the recently re-let Business Support for Third Sector contract, delivered once again by Just Enterprise. It is a comprehensive programme of tailored business support, from start up, sustainability to scaling up and winning contracts.

We continue to fund the [Partnership for Procurement](#), a programme that provides a range of support specifically to third sector organisations wishing to form consortia to bid for public sector contracts. The Partnership for Procurement website hosts the Ready for Business Register of social enterprises, which offers buyers the ability to search for organisations that identify as supported businesses by geographical location.

The Supplier Development Programme continues to be funded to extend its offer of training and support to the third sector as well as SMEs.

We awarded contracts to six third sector organisations worth around £3.65 million in total. In addition to awarding contracts to third sector organisations, all national collaborative framework agreements placed by the Scottish Government including those for Electricity, Natural Gas and ICT Client Devices are open for use by third sector organisations. Around 70 charities and housing associations are directly benefitting from these arrangements.

## Supported Businesses

Our Procurement Strategy highlighted the importance we place on providing opportunities for supported businesses to participate in public procurement. Procurement legislation defines supported businesses as businesses for which the core purpose is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of those businesses are disabled or disadvantaged persons.

In addition to our other collaborative framework contracts, we appointed six suppliers to a new Supported Business framework in December 2018 with an advertised value totalling £12 million. This provides an easier route for public bodies to contract with supported businesses utilising frameworks for the following goods and services.

- Textiles and Personal Protective Equipment (PPE)
- Furniture and associated products
- Signage
- Document management

Spend with supported businesses during the reporting period totalled £6.38 million which includes £5.91 million under our Fair Start Scotland and Work First Scotland contracts.

## Low Carbon Solutions

Examples of where we considered and applied low carbon solutions include the following.



## ICT Hardware Frameworks

For the second year running Scottish Procurement was announced among the winners at the 2019 **Green Electronics Council**, EPEAT (Electronic Product Environmental Assessment Tool) **Purchaser Awards**. Awardees included businesses, institutions and government organisations from around the world.

The award recognises excellence and leadership in the procurement of sustainable IT products which reduce environmental impact across their lifecycle and are manufactured to conserve energy, minimise the use of environmentally sensitive materials, and increase recyclability.

All devices supplied under Scottish Procurement's collaborative IT Hardware frameworks (Client Devices and Multi-Function Devices) are required to meet or exceed minimum energy efficiency levels based on the latest Energy Star and Green Electronics Council EPEAT compliance standards. This ensures that only the most energy efficient devices are available via our collaborative frameworks.

Over their lifetime, compared to products that do not meet EPEAT eco-label standards, IT Hardware purchased during the reporting period via Scottish Procurement frameworks will result in a number of environmental benefits. The Green Electronics Council estimates these include savings of 53,290 MWh of electricity - enough to power 4,387 households for a year, and a reduction of greenhouse gas emissions of 32,070 metric tons of CO<sub>2</sub> equivalents - equal to taking 6,867 cars off the road for a year.

## Electricity Supply Contract

The new national electricity contract awarded to EDF Energy Customers Ltd is expected to save the public purse around £45 million during its lifetime. The contract is designed to support investment in renewables through Power Purchase Agreements, small-scale generation on the public estate, and by giving public bodies the ability to buy renewable energy. EDF has invested in large-scale renewable power projects in Scotland with further projects planned. They employ 1,300 staff in Scotland and support over 1,500 jobs in their Scottish supply chain.

## Warner Homes Scotland

During the reporting period 3,800 Scottish households benefited from an installation under the Warmer Homes Scotland contract. This delivered average CO<sub>2</sub> reductions of 1.6 tonnes per household which equates to total CO<sub>2</sub> savings of 6,050 tonnes.

Additionally, we are engaged in providing support to wider (non-procurement) policy areas including:

- energy policy design by gathering and sharing data on energy consumption across the Scottish public estate to support statistical modelling;
- the Low Carbon Infrastructure Transition Programme fund by advising on how to increase the success of Heat Network projects under the fund.

# 6. Delivery of policies

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The Scottish public sector spends over £11 billion each year buying goods, services and works. This is a significant sum and it is right that people expect it to be spent in a way that aims to deliver the most benefits possible to society. Our Procurement Strategy set out our general policies and also how we will monitor those policies.

## Impact of Scottish Government policy

During the reporting period we updated the [Procurement Journey](#). This is our online source of step-by-step guidance aimed at buyers across the whole of the Scottish public sector. It is tailored to the value and risk of a particular procurement exercise.

It has been widely recognised as helpful by those using it in Scotland, across the UK, and in other countries. It is continually updated with changes in legislation, policy and best practice.

During the reporting period we undertook a national survey and user-testing exercise to identify potential areas for improvement. Although almost 86% of respondents believed the Procurement Journey met their needs, a number of enhancements and improvements are scheduled for future implementation.

We continued to provide guidance to suppliers on how to bid for public sector goods and services contracts via the [Supplier Journey](#). Following extensive engagement and feedback from suppliers, including SMEs, the new Supplier Journey was launched in June 2018.

## 6.1 Applying community benefit requirements in our contracts

Our Procurement Strategy set out our intention to consider the opportunities to include community benefit requirements in the development phase of all regulated procurements, and to include them, either on a contractual or voluntary basis, wherever there is an opportunity to benefit the community.

### Monitoring

We said in our Procurement Strategy that we would:

- Consider the use of community benefits in the development of all our regulated procurements.
- For contracts in excess of £4 million set out details of the required community benefits in the appropriate Contract Notice.
- In our Contract Award Notices record where we expect contractors to deliver community benefits.
- Collect information about community benefits delivered under our regulated procurements.

### Delivery

We considered community benefits in all our regulated contracts and during the reporting period awarded 13 contracts which specifically included community and social benefits.

As a result, we currently have 40 live contracts valued at around £1.5 billion within which community benefits are now embedded.

During the reporting period our contracts created 212 jobs and 41 apprenticeships, delivered 57 work placements for school pupils, college and university students, 52 work placements for priority groups and enabled almost 100 qualifications to be achieved through training.

Examples of community benefits secured from our contracts are shown below.

#### Low Income Benefits Agile Service Delivery Contract



The Low Income Benefits Project aims to design, develop and implement processes and systems required to administer these benefits to eligible Scottish citizens.

A contract was awarded to IBM UK Limited to deliver services required for the project. One of the community benefit requirements was to provide educational support to schools and/or further education institutions. This could include activities such as, but not limited to career promotional talks, assistance with CV writing and career opportunities.

During the reporting period IBM delivered 110 hours of support to a total of 13 schools and priority groups throughout Scotland.

## Warmer Homes Scotland

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During the reporting period 3,800 Scottish households benefited from an installation under the Warmer Homes Scotland contract.

Under the Warmer Homes Scotland contract, Warmworks and its supply chain have so far delivered 488 new employees, 110 apprenticeships, 92 work placements and 1289 work-related training courses and qualifications.

As a result of winning the contract the Scottish Government's national fuel poverty scheme, Warmer Homes Scotland, Warmworks Scotland LLP committed to paying all employees working on the contract, including those working in its supply chain, the Real Living Wage and went on to become an accredited Living Wage Employer and a signatory of the Scottish Business Pledge.

## Social Programme Management Contract awarded to DXC

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Under their contract to develop the social security core benefits platform to allow payment of devolved benefits, DXC Technology (DXC) has committed to create six apprenticeships with recruitment targeted within the 10% most deprived areas in Scotland. DXC also agreed to encourage applications from disabled or disadvantaged job-seekers through engagement with providers delivering the Fair Start Scotland programme.

At the end of the apprenticeship programme, an offer of continuous employment will be made by DXC.

## APS Group (Scotland) Ltd

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Our provider of Publishing, Print, Design & Associated Services, APS Group (Scotland) Ltd, is contractually bound to deliver a number of Community Benefits throughout the term of the new framework agreement (awarded August 2018). These Community Benefits include apprenticeships, work experience and a commitment to sub-contract a minimum of 50% of framework business to SMEs. APS currently has three Modern Apprentices in training and also has four permanent staff who were former Modern Apprentices.

APS's business model (developed over a number of years working with the Scottish Government) is predicated on supporting the Scottish economy by keeping subcontracted work close to its core operations.

Currently APS works with 105 SMEs in Scotland (including two charities). In addition, APS supports (in total) 10 charities and schools.

Our ambition includes working in partnership with responsible suppliers and supply chains who are equally committed to our sustainable goals.

## HP Inc



Our supplier of Mobile and Client Devices, HP Inc, are sponsors of the Digital Schools Award programme. This is a public-private initiative designed to support the digital learning and education of pupils in Scotland. The programme recognises, rewards and promotes a whole school approach to the effective use of digital technology in education. The successful collaboration between Scottish Government and Industry focuses on primary schools and encourages young people to become digitally aware and supported.

This is a key initiative in helping address the education and skills gap and directly assists in the delivery of the National Digital Strategy for investment and job creation. A key focus is the support of next generation learners towards next generation jobs utilising next generation skills and provides a roadmap for school improvement with independent validation. This is open to all primary schools at no cost and HP Inc's role in the awards programme plays a significant role in promoting and building awareness of digital skills among young people in Scotland.

In May 2018 HP Inc co-hosted a Digital Schools award-giving ceremony in which 38 schools from across the country received their national digital-schools award for excellence in digital teaching and learning.

HP Inc has also worked in conjunction with schools to engage with S2 pupils to develop their understanding of the IT industry and identify the required skill sets to develop future career opportunities in this sector.

## Konica Minolta



One of our Office Equipment suppliers, Konica Minolta, sponsored participation in the **“F1 for Schools Challenge”** Competition. Konica provided printing facilities and social media channels for an all-girl group of six S3/S4 pupils who qualified as Scottish champions and finalists in the competition.

The project focuses on STEM (science, technology, engineering and maths) subjects which form part of the Scottish Government's Curriculum for Excellence. Its aim is to encourage young people to engage in these subjects, specifically targeting young female students; an area in which there still remains a significant deficit.

Other examples of Community Benefits are described below:

**Capital Document Solutions** – Edinburgh based SME, Capital Document Solutions, created seven Full Time Equivalent (FTE) jobs to service their National Framework for Office Equipment. Capital has also employed three new full-time apprentices who are undertaking SVQ qualifications in electronic maintenance.

**XMA – Mission to Mars Events** – XMA delivered a free coding/training event for educators and school leaders. The Mission to Mars initiative is aimed at helping to identify the links in learning and coding from primary into secondary schools, and then into Higher and Further Education and employment, focusing on the gap (now and in the future) in skilled workers within the programming sector to help with attainment and future employability. XMA also created nine new FTE jobs including new trainers hired to deliver Apple Professional Learning in support of iPad devices supplied under Scottish Procurement’s National Framework for Tablet Client Devices.

**Capito** – During the reporting period, Scottish based SME Capito has grown its warehouse and logistics team by a permanent headcount of two, to deliver services in support of Scottish Procurement’s Client Device frameworks. Capito also participates in school work experience placement programmes offering work placement opportunities to students. Each year up to 20 pupils from a number of schools undertake their work experience at Capito.

### Impact of Scottish Government policy

During the reporting period we worked with a range of other public bodies to deliver community benefits in their contracts. We also worked with the Construction Industry Training Board (CITB), which provides support to public bodies who wish to secure community benefits in construction contracts.

Our shared services team, acting on behalf of other organisations, included community benefit requirements in a further two procurement exercises, details of which will be available in the respective organisations’ Annual Procurement Report:

- Provision of Tourism Webinars for Highlands and Islands Enterprise.
- Provision of Benchmark Maintenance for Royal Botanical Gardens Edinburgh. The supplier is also a supported businesses.

## 6.2 Consulting and involving those affected by our procurements

Our Procurement Strategy set out our approach to consulting and involving those affected by our procurements. We collaborate closely with others across the public and private sectors to inform, develop and test national policies, processes, toolkits and practices to ensure that they are fit for purpose and underpin the ambition set out in our Procurement Strategy.

### Monitoring

We indicated in our strategy that we would record any complaints about a failure to consult and report on our performance, any conclusions reached, and any measures taken in response to complaints.

### Delivery

We did not record any complaints arising from our approach to consultations during the reporting period.

Where appropriate we work with people who use our services, potential suppliers and others to help us design procurements. This can vary from market research to supplier engagement days or the design and piloting of services. When developing our contracting strategies and approaches, we involve people who use the services or their representatives through User Intelligence Groups.

### Brexit: Operational and Regulatory Readiness

During the reporting period we undertook an exercise to identify and understand the level of potential Brexit impacts on Scottish Government led contracts and frameworks.

Consideration was given to how best to address and mitigate these impacts and dialogue was undertaken with key suppliers and stakeholders across the public and private sectors on Brexit implications and preparedness – particularly in the event of a no-deal Brexit.

We also published the Scottish Government “Ready for Brexit” document for use by all organisations interested in doing business with the public sector through our Public Contracts Scotland web portal and promoted this in our dialogue with suppliers.

To ensure continuity in the application of procurement legislation post-Brexit, we created the Public Procurement etc. (Scotland) (Amendment) (EU Exit) Regulations 2019. These regulations amend existing procurement legislation to make sure that it will continue to work after we leave the EU. They will come into effect on the day of the UK’s departure from the EU in the event of a no-deal, and are designed to minimise the impact of regulatory change on public procurement.



## 6.3 Fair Work practices, including paying at least the Real Living Wage to people involved in delivering our contracts

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In addition to supporting families and our aspirations on reducing the poverty divide, Fair Work can drive productivity, release untapped potential and inspire innovation – all of which add value to jobs and to business and in turn create stronger, more sustainable and inclusive growth. We believe that adopting such practices can make businesses more competitive by improving talent attraction, reducing staff turnover and absenteeism while improving motivation and workforce engagement. We want Scotland to be a world-leading Fair Work Nation by 2025.

### Monitoring

In our strategy we stated that if a commitment has been made in a tender to pay the Real Living Wage, we would record this in the contract award notice, it would form part of the contract, and we would monitor it through our contract and supplier management processes. We also stated that ‘Information on which of our contractors pay the Real Living Wage will be gathered centrally and we will include it in the annual report of our performance against this strategy’.

When we refer to “the Real Living Wage” we mean the hourly rate set independently and updated annually by the [Living Wage Foundation](#).

### Delivery

Where Fair Work practices were relevant to the contract, we included this as an award criterion to be considered as part of the tender evaluation.

The Scottish Government is an accredited Living Wage Employer and we pay at least the Real Living Wage to all direct employees and to all contracted staff who regularly provide services on our sites.

We secured a range of Fair Work practices in a number of our significant contracts improving pay and conditions for those working in our supply chain.

Ninety-three percent of our suppliers with current live contracts have committed to paying at least the Real Living Wage.

It is our normal practice to include Fair Work provisions in our invitations to tender, where appropriate, and we consider these along with other relevant criteria as part of the tender evaluation process.

### Impact of Scottish Government policy

In February 2019 we published the Fair Work Action Plan, which describes the actions we are taking, including a focus on Fair Work First, which means an investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, genuine workforce engagement, including with trade unions, and payment of the Real Living Wage.



Through Fair Work First, the Scottish Government is committed to using its financial power, including the power of procurement, to make Fair Work the norm. We have made a clear commitment, in our Economic Action Plan, that by the end of this Parliament (spring 2021), wherever it is appropriate to do so, we will extend the range of Scottish Government and public sector contracts that Fair Work criteria will apply to. We are committed to doing this in partnership with stakeholders to develop a phased approach to implementation which will take account of the economic context, including the impact of EU exit.

### Early Learning and Childcare Workers



The Scottish Government and local authorities are committed to the near doubling of the funded Early Learning and Childcare (ELC) entitlement, for all three and four year olds and eligible two year olds, from 600 to 1140 hours per year from August 2020. Fair Work is a key aspect of the new National Standard that will be introduced in August 2020, which all providers delivering funded ELC will have to meet. This includes a commitment to pay all childcare workers delivering the funded early learning and childcare entitlement the Real Living Wage from August 2020. During this reporting period, Technical Guidance was developed **'Funding follows the child and the national standard for early learning and childcare providers: transition options guidance on contracting'**, to assist local authorities deliver on this commitment when procuring these services.

### Adult Social Care Workers



We continue to provide funding for councils to commission care services that pay adult social care workers the real Living Wage. This includes resource over the last two years to cover the extension of the real Living Wage to sleepover hours in 2018/19 which is part of our approach to tackle recruitment and retention in the sector, and raise the status of social care as a profession. We have worked with the Living Wage in Care Implementation Group, alongside COSLA, to agree updated Guidance which supports local authorities and providers to implement the continued commitment to pay the real Living Wage as part of a positive approach to fair work practices, including through procurement processes.

## 6.4 Making sure our contractors and sub-contractors keep to the Health and Safety at Work Act 1974 and any provision made under that Act

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Our aim is to be a leading employer in the delivery of health and safety and to ensure the wellbeing of our staff and those that deliver our contracts.

Our Procurement Strategy set out that it is a standard condition of our contracts that the contractor must keep to all laws that apply, as well as the requirements of regulatory organisations and good industry practice.

It also explained that this includes health and safety laws, and that contractors must keep to our own health safety standards when they are on our premises.

### Monitoring

We stated in our Procurement Strategy that we would gather information through our standard contract management arrangements about health and safety incidents relating to delivery of our contracts and measures taken.

### Delivery

During this reporting period, there were no incidents that required to be reported to the Health and Safety Executive.

For those contractors working on our premises we meet monthly and review all relevant accident reports and any investigation findings.

Additionally, we encourage our catering and cleaning suppliers to use the in-house Contractor Safety Management System. This allows both suppliers and ourselves to check that sub-contractors have all the relevant security clearance, permits and qualifications.

## 6.5 Policy fairly and ethically-traded goods and services

The sustainable procurement duty requires public bodies to consider how they can improve the economic, social and environmental wellbeing of their area, with a particular focus on reducing inequality, and to act in a way to secure these improvements. This duty aligns with Scotland's purpose to focus on creating a more successful country, with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth.

Our Procurement Strategy set out our policy that if fairly-traded goods and services are available to meet our requirements, we will consider how best to promote them. It also described how our standard terms and conditions allow us to end a contract if the contractor or a sub-contractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.

We believe that those we contract with should adopt high standards of business ethics, this includes taking a robust approach to ensuring the goods and services are sourced fairly and ethically.

### Monitoring

We stated in the strategy that we would:

- a) include a statement about the effectiveness of our selection procedures; and
- b) keep a record of the value of fairly traded products bought and sold under our catering contract.

### Delivery

The national sustainable procurement tools and supporting guidance were revised in September 2018 to ensure they take account of human trafficking considerations, including checking whether existing contractors have published a Slavery and Human Trafficking Statement. We used the updated tools and guidance to undertake an assurance review of our contracts to establish ethical risk and identify mitigating action. We have also checked that all relevant contracted suppliers have a Slavery and Human Trafficking Statement.

All Invitations to Tender issued during the reporting period included a provision to ensure that our supply chains are free from human trafficking and exploitation, including modern slavery, permitting us to terminate contracts with suppliers for breaches of social, environmental or employment law.

#### a) Effectiveness of our selection procedures

We used sustainability tools to inform our commodity strategies which helped us to identify opportunities and mitigate potential risks in all of our regulated procurements. We also used targeted selection and award criteria relating to fairly and ethically traded supply chains where relevant for all regulated procurements.

## b) Fair Trade products bought and sold under the catering contract

The contract incorporates various fairly and ethically traded products, including tea and coffee purchased through the Scottish Government's contract for staff catering in its main buildings. Within the reporting period we actively worked with our supplier to maintain and increase:

- the quantity of local produce supplied, including Scotch beef and lamb which during the reporting period accounted for 100% of our requirements;
- menus based on:
  - freshness and high nutritional value, using food in-season;
  - free range and organic food;
  - food produced according to recognised assurance schemes accredited to EU standard EN40511, e.g. Quality Meat Scotland, MSC, Red Tractor; and
- consideration of all stages of the life-cycle including sourcing, manufacturing and production, transportation, service delivery, reuse, recycling and disposal to minimise waste packaging, including:
  - increasing the use of reusable containers and/or recyclable packaging;
  - delivering in bulk units and providing a take back service; and
  - provision of flexible and frequent delivery schedules.

## Impact of Scottish Government policy

We continue to engage with a range of organisations on ethical procurement, including learning from best practice used by others across Europe, and working closely with stakeholders such as the [Equality and Human Rights Commission](#) and the [Scottish Fair Trade Forum \(SFTF\)](#).

This helped us to update our sustainable procurement tools and guidance to ensure they take account of human rights considerations, including the UN Guiding Principles on human trafficking and exploitation/modern slavery.

Work with SFTF concluded with publication of sustainable procurement [case studies on taking an ethical approach](#).

## 6.6 Using contracts involving food to improve the health, wellbeing and education of communities in Scotland and promote the highest standards of animal welfare

Our Procurement Strategy set out our belief that the way in which the public sector buys food and catering services can have positive social, economic and environmental impacts.

As an organisation, we seldom buy food directly, but we do use our catering contract to achieve a range of benefits. Our approach is to make sure that this keeps to government policies on healthy eating and nutrition, promoting fresh, seasonal, fairly traded and local produce and to UK buying standards. These standards take account of factors including, production, traceability, authenticity, origin, ethical trading, animal welfare, environmental standards and health and waste.

### Monitoring

We monitor this requirement through contract management arrangements for our catering contract.

### Delivery

The Scottish Government's catering contractor was re-accredited with the Soil Association's Food for Life Catering Mark Silver Award across the four main Scottish Government sites. The service provider also holds the Healthy Living Plus award within all of its Scottish Government restaurants. The Principles of the Catering Mark accreditation are:

- Fresh food you can trust.
- Menus free from controversial additives and artificial trans fats.

- Sourcing environmentally sustainable and ethical food.
- Food which meets or exceeds UK animal welfare standards.
- Making healthy eating easy.
- Compliance with national standards or guidelines on food and nutrition where these apply. Processes to make healthy eating easier for their customers, in line with public health priorities.
- Championing local produce and producers.
- Catering Mark holders champion local produce and local producers.

### Impact of Scottish Government policy

Our national food and drink policy: [Good Food Nation](#) continues to promote buying healthy, fresh and environmentally sustainable food and catering. Existing guidance '[Catering for Change: Buying food sustainably in the public sector](#)' can also be used by public sector organisations when buying food or catering services.

The welfare of farm animals, reared for products used in food provided in our catering contract and other public contracts, is safeguarded under legislation we have introduced. In most cases this is under regulations that specifically protect farm animals on farm and at slaughter. We are also working to increase the sourcing of Scottish products further through public sector contracts.

Our Programme for Government outlines a number of commitments that put local sourcing at the heart of public sector supply chains. This includes expanding the Food for Life programme to increase the amount of locally sourced and produced food in Scotland's schools.

## 6.7 Paying invoices in 30 days or less to our contractors and sub-contractors

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Our Procurement Strategy set out that it is a standard term of our contracts that we will pay valid invoices within 30 days, that any sub-contract must contain a clause which says that sub-contractors will be paid within 30 days, and that this clause must apply through the supply chain. It also explained that this clause must make clear that if a sub-contractor believes that invoices are not being paid within 30 days, they can raise the issue directly with us. We also aim to pay as many valid invoices as possible within ten days.

### Monitoring

Our Strategy indicated that through contract management arrangements we would monitor complaints from suppliers and sub-contractors and take action if appropriate.

### Delivery

During the reporting period we paid 99% of valid invoices within ten days, getting cash into the economy as quickly as possible.

We are working with contract managers to ensure that payments to suppliers and sub-contractors are discussed and addressed through the contract management process.

### Impact of Scottish Government policy

The construction sector in particular can suffer from late and extended payment terms from business to business. To help counter this, we introduced the use of Project Bank Accounts. These are accounts from which a public body can pay firms in the supply chain directly as well as making payments to the main contractor. Project Bank Accounts improve cash-flow and help businesses stay solvent, particularly smaller firms which can be more vulnerable to the effects of late payments

We announced on 19 February 2019 that we had delivered on our Economic Action Plan pledge to increase the number of Scottish Government construction contracts to which Project Bank Accounts can be applied and urged others to follow our lead. As a result many more small businesses in our construction industry can benefit from prompt and protected payment.

Public bodies covered by the Scottish Public Finance Manual now need to include Project Bank Accounts in their tender documents for building projects over £2 million and civil engineering projects over £5 million.

# 7. Annual Report ownership and contact details

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The owner of this Annual Report on behalf of the Scottish Government is Ainslie McLaughlin, our Director of Procurement and Commercial. The report covers the period 1 April 2018 to 31 March 2019.



Ainslie McLaughlin

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## **Annex A – Summary of Regulated Procurements commencing in the Next Two Financial Years**

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Travel Services Conferencing and Venue Booking

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Travel Services One Stop Shop

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Relocation Services

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Recruitment & Public Information Notice Advertising

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Vehicle Hire

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General Stationery, IT Consumables and Office Paper

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Provision of Taxi Services – Edinburgh

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Electronic Purchasing Card Solution

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Postal Services

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Employee Services

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Media Services

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Creative Advertising Services

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Digital Advertising Services

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Events and Video Production Services

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Public Relations Services

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Market Research Services

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Interpreting Services

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Motability

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Merchant Acquiring Services, Equipment and Payment Gateway Services framework (IVR Automated Telephony)

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Social Security (Scotland) Act 2018 – Advocacy Services Provision

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SFTP Out of Hours support

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Services to Develop SPM

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Social Security CRM

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Provision of COTS package to support Disability Assessments

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Scottish Social Security Agency Telephony & Contact Centre

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Social Security Scotland – Visionary and Space

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Cloud Operations Services

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CDO/API Integration

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Media Monitoring function

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Document Repository

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Document Management Inbound

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Document Management Outbound

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Data Warehousing

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Health and Safety e-learning
Credit Reference (Fraud) Checks
Interim Digital Resources (ADS/Bench Replacement)
Vehicle Hire
Non-Domestic Energy efficiency
Liquid Fuels
Water and Waste Water Billing Services
Non-Domestic Energy Efficiency, Project Development Services
Low Carbon Technical Support
Residual Waste
Combined Client Devices
Mobile Client Devices
Desktop Client Devices
Office Equipment
Internet of Things (IoT) Dynamic Purchasing System
Mobile Voice and Data Services
Telephony Services Dynamic Purchasing System
Server and Infrastructure Maintenance
Cloud Hosting
Digital Technology Dynamic Purchasing System
Scottish Procurement Information Hub
Scotland's Baby Box and Associated Items and Services
Provision of Systems Integration Services
Electronic Monitoring of Offenders
Scottish Household Survey
One-to-Many Farm Advisory Services
Investment in Charitable Bonds
National Improvement Framework - National Standardised Assessments
Scottish Health Survey
Transcription Services
The Scottish Crime and Justice Survey (SCJS)
Application Support
Administration and Management of the Community and Renewable Energy Scheme (CARES)

Provision of ICT services to the Scottish Government (Directorate of Agriculture, Food & Rural Communities)
Climate Challenge Fund Management and Administration Services
Fully Managed Catering Services
Scottish National Investment Bank (SNIB) – Request for Professional Services
Provision of Wide Area Network (WAN) for Crown Office & Procurator Fiscal Service (COPFS)
The Provision of a Domestic Abuse and Forced Marriage Helpline
Business Intelligence Software
Advisory Service for the Beef Efficiency Scheme
Support and Maintenance of Legacy ERDM System
Fund Management Services for the Equality Budget
Gaelic Medium Education National Standardised Assessments
Connectors for the Scottish ePlanning and eBuilding Standards System
Management of the Adaptation Scotland Programme
Provision of Employee Services for Crown Office and Procurator Fiscal Service
British Sign Language-based Video Relay Service
Quality Assurance & Audit Services: HEEPS 2 New National Energy Assistance Scheme
Support and Maintenance of the Scottish Air Quality Database and Website
Delivery Partner for the Cashback for Communities Programme
Climate Change – Public Bodies Reporting Duties
Provision of Management and Marketing Services for The London Innovation and Investment Hub
Investment in Charitable Bonds
Endpoint Security Monitoring Software
Provision of an Innovation Support Service
Programme for International Student Assessment (PISA) 2018
Hardware & Software upgrade to increase overall capacity of existing SIEM (Security Information and Event Management)
Provision of National Kinship Care Service
Open Data Publishing Platform (ODPP) – Support, Hosting and Development
Provision of a Guard Service for Social Care & Social Work Improvement Scotland
Jury Research
Fund Management Services for the Volunteering Support Fund 2018-19 to 2020-21
Due Diligence for Capital Projects for the Low Carbon Infrastructure Transit...
Schools Adolescent Lifestyle Survey (SALSUS)
National Advocacy Service
Evaluation of Distress Brief Intervention – Pilot Programme

Self-Build Loan Fund

Provision of an Analytical Software Tool

Introduction of Gàidhlig medium education standardised assessments into schools

Ceremonial Event Planning and Management

Attracting High-Quality Graduates into Teaching

Creative Services for the First Minister's Advisory Council on Women and Girls

SIP Trunk

Realigning Children Services - Wellbeing Survey

Independent Assessment and Monitoring of Scottish Government International Development Funding Round

Provision of Same Day Courier Services in Scotland

Scottish Study of Early Learning and Childcare (SSELC): Phase Two

Liquid Fuels - The Scottish Association for Marine Science (SAMS)

One Scotland Mapping Agreement

Provision of a Macroeconomic Model

Pass Through Autoclaves

Scottish Employers Perspectives Survey

Video Conference MCU Replacement Project

Scottish Child Abuse Inquiry - Document Processing Contractor

Scottish Government - Interim Professional Staff - Commercial Director

Behaviour and Motivation of Business in Scotland - Qualitative Insights

Laboratory Testing Abortion Investigations in Cattle

Award of Public Relations Services for First Minister's Advisory Council on Women and Girls

Provision of Procurement and Commercial Training: Procurement

Digital Insight Research and Training

Evaluation of Primary Care Dementia Innovation Sites

Certified Internal Auditor Training

Innovation Communication Plan Survey

Provision of Procurement and Commercial Training: Sustainability

Risk Management Tool

Provision of Auction Services for the Scottish Government

UK Infected Blood Inquiry Legal Support

Individual Psychological Assessment Services Primarily SCS Director Level and Above

Provision of Off-site Records Storage Services

Estates Professional Services for General Dental Services

Regional Managing Agents for Open Market Shared Equity (OMSE) Housing Scheme

HR Assessment Centres

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IT Training Services Framework

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Scottish Local Government Elections – Electronic Vote Counting System

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Cloud Programme Delivery of Identity Management & Zero Trust solution

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Aerial Surveillance and Survey Services

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Mackerel Egg Survey in North Biscay, Celtic Sea, West of Ireland and West of Scotland

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## ANNEX B – MICRO, SMALL AND MEDIUM-SIZED SUPPLIERS (SME) SUPPLYING GOODS AND SERVICES TO CORE SCOTTISH GOVERNMENT

### Analysis

The following tables provide information on SME suppliers, by **(a)** micro, **(b)** small and **(c)** medium-sized suppliers, who have supplied goods and services to core Scottish Government during the period covered by the Scottish Government’s 2017 to 2019 [Procurement Strategy](#). This information is based on data contained in the Scottish Procurement Information Hub (the “Hub”).

The total number of SME suppliers may vary in some years from previous publications. This is because the data held in the Hub is revalidated and may change as additional information about suppliers is applied, or as supplier status changes.

#### Number of Micro, Small and Medium-Sized Suppliers supplying goods and services to core Scottish Government for Financial Years 2017/18 – 2018/19

Financial Year	TOTAL NUMBER OF SME SUPPLIERS*	TOTAL NUMBER MICRO SUPPLIERS*	TOTAL NUMBER SMALL SUPPLIERS*	TOTAL NUMBER MEDIUM SUPPLIERS*
2017/18	717	142	234	341
2018/19	1034	245	347	442

#### Spend with SME Suppliers supplying goods and services to core Scottish Government for Financial Years 2017/18 – 2018/19

Financial Year	TOTAL SPEND (£) WITH SME SUPPLIERS WHERE EMPLOYEE SIZE IS KNOWN
2017/18	88,939,002.72
2018/19	102,564,478.67

Data is provided for core Scottish Government only.

Data is taken from the Scottish Procurement Information Hub and is based on suppliers that have been classed as commercial organisations or as non-trade social care providers and with whom core Scottish Government has spent over £1,000 in aggregate in a 12 month period.

\*Supplier size is based on number of employees where it is known.

SMEs are defined as suppliers with less than 250 employees.

Micro suppliers are defined as suppliers with less than 10 employees.

Small suppliers are defined as suppliers with 10-49 employees.

Medium suppliers are defined as suppliers with 50-249 employees.

Data correct at July 2019. Data is revalidated and may change in subsequent reports as additional information about suppliers is applied.



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