



HISTORIC
ENVIRONMENT
SCOTLAND

ÀRAINNEACHD
EACHDRAIDHEIL
ALBA

Historic Environment Scotland Annual Procurement Report 2019-20

Contents

- Section 1 Introduction
- Section 2 Summary of Regulated Procurements Completed
- Section 3 Review of Regulated Procurement Compliance
- Section 4 Community Benefit Summary
- Section 5 Supported Businesses Summary
- Section 6 Future Regulated Procurements Summary
- Section 7 Additional information
- Annex 1 Regulated Procurements Completed
- Annex 2 Future Regulated Procurements Summary
- Annex A Annual Procurement Report Data

Section 1 – Introduction

Historic Environment Scotland is the **lead public body for Scotland’s Historic Environment**. Scotland’s historic environment is part and parcel of our daily lives: it is our castles, standing stones and landscapes; our factories, mills, and shipyards; our homes, our streets, and our stories. It is a catalyst for economic growth, driving tourism, regeneration and sustainable development and fuelling improvements.

HES is a Non-Departmental Public Body with charitable status (registered charity number SC202659) and is a public sector contracting authority, subject to the Procurement Reform (Scotland) Act 2014, and as such is required to produce an annual report on our regulated procurement activities and achievements in delivering our previously published Procurement Strategy. This Annual Report also includes the procurement activities of Historic Environment Scotland Enterprises Limited (HESE), the Trading Arm and wholly owned subsidiary of HES.

HES champions the Scottish Procurement Model through embedding sustainable procurement. Sustainable Procurement is “a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation but also to society, the economy and the environment”.

HES is pleased to publish our 2019-20 Annual Procurement Report, which allows us to record and publicise our performance and achievements in delivering our procurement strategy. It provides an opportunity to demonstrate to our stakeholders that our procurement spend is being used to best effect to achieve:

- Better public services.
- Social, economic, and environmental outcomes in their area; and,
- A range of local and national policies e.g. those relating to tackling inequality and meeting climate change obligations.

IAIN JOHNSTON

Head of Procurement

lain.johnston@hes.scot

Section 2 – Summary of Regulated Procurements Completed

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of the regulated procurements that have been completed during the year covered by the report.

A contract is a regulated procurement if the estimated value of the contract is equal to or greater than the contract threshold of £50,000 unless it is a works contract in which case the threshold is £2,000,000. A regulated procurement starts from the point of seeking offers, includes the selection of economic operators and all other steps in the process continuing through to the award of the contract

The principle of transparency requires HES to approach its public procurements in an open and inclusive manner. Information on each individual regulated procurement completed during the reporting period is attached at Annex 1. This information covers the period 1 April 2019 to 31 March 2020. This table shows 25 regulated procurements across a wide variety of goods, services and works with an overall estimated value of £4.3m.

Spend for the financial year 2019-20

Total spend - £32,949,318

Spend with SME's - £22,234,200 (67.48%)

Spend with Scottish Suppliers - £19,110,604 (58%)

Section 3 – Review of Regulated Procurement Compliance

Strategic Aims and Objectives delivery - Contribution to functions and purposes of HES

Our Corporate Plan 2019 Onwards: *Heritage for All*, sets out five outcomes that we want to achieve that will help us work towards this vision:

1. The historic environment makes a real difference to people's lives.
2. The historic environment is looked after, protected, and managed for the generations to come.
3. The historic environment makes a broader contribution to the economy of Scotland and its people.
4. The historic environment inspires a creative and vibrant Scotland.
5. The historic environment is cared for and championed by a high-performing organisation.

HES's plans form part of a much broader ambition to build a more successful Scotland. We support the Scottish Government'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 growth*". Our work contributed to the delivery of the 'Scottish Government's Programme for Scotland 2019-20: Protecting Scotland's Future'.

The procurement team worked with our principal delivery partners in the various HES business areas to support delivery of our strategic priorities, contributing to the achievement of the Scottish Government's strategic objectives and national outcomes.

The HES Procurement Team worked collaboratively throughout the year with several other public bodies to meet joint objectives.

Strategic Aims and Objectives delivery - Transparency of HES procurement

HES approached its procurement requirements in an open, proportionate, and inclusive manner to reduce barriers to participation. This included the use of Public Contracts Scotland, publication of our Contracts Register. HES complied with the requirements of the Procurement Reform (Scotland) Act 2014 in relation to the giving of reasons to unsuccessful participants and requests for further information.

Strategic Aims and Objectives delivery – Delivery of Value for money

Strategic Aims and Objectives delivery – Health and Safety approach

Strategic Aims and Objectives delivery – Procurement of ethically traded goods and services/food

HES procurement activity is aligned with the Scottish Government Procurement Journey and the HES procurement strategy has a planned refresh covering the 2021-24 period.

Key deliverables and Performance Indicators for the Procurement Unit are set as internal targets at the start of each financial year within the annual Work Plan. These deliverables and indicators are produced as part of the Procurement Action Plan which is produced in response to the Procurement Capability Improvement Programme (PCIP) report.

The PCIP focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. The PCIP regime assesses organisations by measuring and reporting on their levels of procurement delivery through the provision of evidence, based around a series of set questions and other evaluation methods.

The PCIP comprises four sections - Leadership and Governance, Development and Tender, Contract and Purchasing Processes - with a total of 24 questions, seven of which are pre-assessed. Several new areas are covered by the assessment, including fraud prevention and commercial acumen.

The last PCIP assessment was carried out at Historic Environment Scotland (HES) by two representatives of Scottish Procurement on 26 April 2019. The outcome of this assessment was that HES achieved a rating of 72% putting the procurement function in the top PCIP large-sized organisation performance banding, P1.

Some areas for development were identified, in particular Contract Management and this is an area which will be addressed in the first year of the refreshed procurement strategy. The assessors were encouraged to note the strengths in Leadership and Governance, for example the procurement policy, procedure and financial control administered by the procurement team.

The Scottish Government Procurement Journey and the HES procurement strategy apply to all contracts entered into by HES. In some circumstances however, exceptions may be granted. All requests must be made in writing, following the procedure detailed in the HES Internal Scheme of Delegations. The grounds for any request to operate outside the limits for regulated procurement must be clearly identified and authorised by the Director of Finance or the Chief Executive depending

on the value. Approvals must be recorded in writing and given prior to any action. In such an event, the requirement to comply with the Scottish Regulations remains.

Our procurement activity, through the contracts awarded as detailed in Annex 1 and through contracts awarded prior to this year, supported the wider organisational aims and objectives. Through our procurement activities and our work with our partners and stakeholders, we ensure that the historic environment thrives and delivers economic and social benefits for the people of Scotland.

Here are some examples of HES valuable contribution to Scotland.



£1.1 billion of tourism spend generated and almost £65m of commercial income which will be re-invested in the sector.



Provided heritage travel grants to 31,300 schools.



We spent more than £30m with Scottish suppliers and contractors in 2019-20 through procurement and our grants programme.



Purchasing savings of over £1,000,000 were generated through our procurement activities and through collaboration.



We are a significant contributor to education, skills, and wellbeing programmes, inspiring 114,000 learners.



We have compiled and published around 55,000 designation records and helped to manage Scotland's designated sites and places



Climate Action Plan published March 2020. Reduced our carbon emissions by 12.1%. Through Warp It, an online sharing platform, we have redistributed 1,896 individual items, diverted 3.7 tonnes of waste and 33.5 tonnes of CO₂e and saved around £27,750 in procurement costs.

Strategic Aims and Objectives delivery – Prompt payment

Standard supplier payment terms are generally 30 days but HES follows the Scottish Government target for payment of invoices within 10 working days of their receipt.

2019-20:

92% of invoices paid within 10 working days (89% in 2018-19)

99% of invoices paid within 30 days (98% in 2018-19)

Strategic Aims and Objectives delivery - Community Benefits approach Strategic Aims and Objectives delivery - Sustainable Procurement Duty

There were 5 contracts that had community benefit requirements imposed as part of regulated procurements during the period covered by the report.

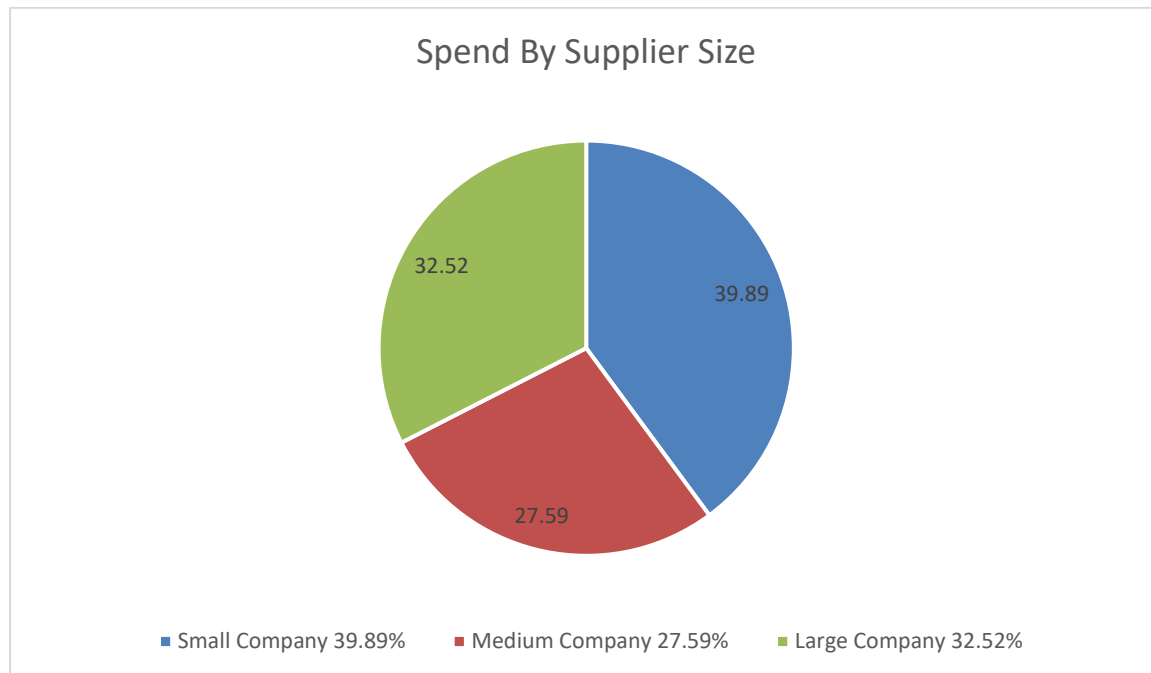
However, as part of the HES sustainable procurement duty, the procurement programmes for all regulated procurements consider what sustainable elements can be included within the project. This is done where relevant using the Sustainability Test in conjunction with the Prioritisation tool. Using this approach helps us to identify any opportunities to improve the economic, social, and environmental wellbeing of the area in which the project is located.

Strategic Aims and Objectives delivery - Equal treatment of Suppliers and Contractors

Strategic Aims and Objectives delivery - Consultation and engagement

HES have always recognised the need to engage with small and medium sized businesses to meet our geographically spread and diverse range of requirements. We have removed the need to demonstrate requirements to demonstrate a high financial turnover, high indemnity insurance thresholds, all which act as barriers to SME participation.

% Spend by size of Supplier over the past year is outlined below which demonstrates that we are engaging successfully with SME's.



HES have undertaken Supplier engagement activities including attending Meet the Buyer events in Aviemore and Glasgow over the past year to encourage Suppliers to get in touch with our business areas to see what opportunities may be available to them. These have focussed on small and medium sized businesses and the feedback has been quite positive with many of the suppliers we talked to were unaware of the wide range of activities that HES is involved in. With our delegated system of purchasing and regional offices acting as discrete operational units it has made sense to retain some of the historical groupings for some requirements e.g. grounds maintenance which is procured as regional clusters of monuments. This can encourage a range of SMEs to bid for business appropriate to their capacity, specialism, and location.

Strategic Aims and Objectives delivery – Living Wage approach

People – HES received accreditation as a Living Wage Employer as recognised by the Poverty Alliance, the Living Wage Foundation, and the Scottish Government. The Living Wage is reviewed annually to ensure it meets the cost of living in Scotland.

Section 4 – Community Benefit Summary

The Act requires the Annual Report to provide a summary of any Community Benefit requirements imposed as part of a regulated procurement that were fulfilled during the reporting year.

The aim of Community Benefit clauses within suppliers' contracts of significant value or duration is to provide means of achieving sustainability objectives, e.g. local recruitment, training, SME development, community engagement etc. Under the Act, Community Benefits must be considered for contracts with a value above £4 million but could also be applied where relevant below this threshold.

There were no contracts awarded above £4m during the reporting period however there was 5 regulated procurement (less than £4m) that had community benefits included in the requirement.

Benefits Delivered from Contracts include:

- Local Recruitment
- Work Experience
- Use of Local Suppliers
- Apprenticeship and Graduation Schemes

Section 5 – Supported Businesses Summary

The Act requires the Annual Report to provide a summary of any steps taken to facilitate the involvement of Supported Businesses in regulated procurements during the reporting period.

Article 20 of the EU Directive 2014/24/EU allows for the direct award of contracts and includes businesses where 30% of the workforce is considered disadvantaged or disabled. HES have ordered goods and services directly under Article 20 and call-off from the Scottish Government's Supported Businesses Framework. A summary of expenditure with supported businesses is shown below.

Haven - £11,885

HES have also taken part in the Central Government/Supported Business Procurement Engagement days to facilitate the involvement of supported businesses and we have also reserved and awarded Lot 3 under our Corporate Clothing and PPE tender to Supported Businesses only.

Lot 3 Contract Value (3yr):

Haven Protective Technology Solutions - £177,000

Section 6 – Future Regulated Procurements Summary

The Act requires this Report to provide a summary of the regulated procurements HES expects to commence in the future. This is attached at Annex 2 and includes:

- the subject matter
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract

Section 7 – Additional information

Contract and Supplier Management – As noted in Section 3, areas for development were identified, in particular Contract Management. This is an area which will be addressed during the period 2021-2022 through a root and branch review of all contract and supplier management, processes, and procedures. Training on the current contract and management process is delivered by the Procurement team to those with responsibilities for managing contracts.

Website – The procurement pages on the HES website are reviewed and updated where required throughout the year. These pages provide key information on doing business with HES, from procurement rules to using the Public Contracts Scotland portal.

Annex 1 – Regulated Procurements 2019-20

Date of Award	Supplier Name	Contract Description	Estimated value	Start Date	End Date¹
02/04/2019	Multi Supplier Framework Agreement - Bookspeed and Lomond	Retail - Books and Maps - 2019	£600,000.00	01/04/2019	31/03/2022
26/04/2019	Aspen People	Executive Search Framework	£39,870.00	01/05/2019	30/04/2020
26/04/2019	Livingston James	Executive Search Framework	£47,500.00	01/05/2019	30/04/2020
27/05/2019	Feis Rois	Gaelic Music Delivery	£44,901.00	27/05/2019	26/05/2022
28/05/2019	1. The Workause Projects. 2 Click Netherfield. 3 Meyvaert Glass Engineering	Provision of Display Cases	£240,000.00	08/06/2019	07/09/2022
28/06/2019	Illuminate UK Ltd	Trinity House Community Learning Programme	£96,000.00	21/06/2019	20/06/2021
23/07/2019	Experis UK Ltd	Information Security Manager	£45,000.00	23/07/2019	22/07/2020
30/07/2019	Korn Ferry (UK) Limited	Organisational Model	£96,120.00	01/08/2019	30/07/2020
19/08/2019	In-Form Consult Ltd	EDRMS Project	£210,000.00	22/08/2019	31/12/2020
19/08/2019	Storm ID Ltd	Intranet Project	£170,000.00	01/11/2019	20/09/2021
01/09/2019	ExecSpace Limited	Sourcing & Booking of Meeting Rooms & Conference Venues	£120,000.00	01/09/2019	31/08/2023
02/09/2019	War Productions Ltd	Enchanted Castle Project	£422,150.00	02/09/2019	01/04/2020
10/09/2019	Qualifire	John Sinclair House Fire Compartmentalisation	£90,080.00	10/09/2019	09/09/2020

24/09/2019	Sopra Steria Limited	Heritage Hub Project	£77,910.00	24/10/2019	22/10/2020
07/10/2019	Bridge Systems Ltd	Management of Telecoms and Radio equipment	£35,000.00	01/12/2019	30/11/2024
15/10/2019	FifeX (Scotland) Ltd	Interpretive Exhibition Maintenance Framework	£57,068.00	28/10/2019	27/10/2022
23/10/2019	LightlyWest	Mount Making	£200,000.00	23/10/2019	22/10/2021
05/11/2019	Exception Ltd	Digital Support Services	£266,500.00	11/11/2019	10/11/2021
03/12/2019	PA Consulting	Business Structure Review	£30,000.00	11/12/2019	31/03/2020
17/12/2019	Republic of Media	Media Planning & Buying	£300,000.00	03/01/2020	02/01/2022
23/12/2019	Grant Thornton UK LLP	Corporate Management Information Systems - Implementation Partner	£864,600.00	18/02/2020	17/02/2021
07/01/2020	Wood Plc	Waste Management Consultant	£20,000.00	10/01/2020	01/03/2021
11/02/2020	1. Fairhurst 2. Arch Henderson 3. Stuart Burke Associates	Civil & Structural Engineering Consultancy services	£120,000.00	02/03/2020	01/03/2022
01/03/2020	Vodafone	Mobile Voice and Data Services	£100,000.00	02/03/2020	22/11/2022
05/03/2020	Rettie & Co	Holyrood Lodges - Letting Agency	£79,425.00	05/03/2020	04/03/2021

Annex 2 – Regulated Procurements 2020-22

Contract Description	Status	Expected date of publication	Expected Award date	Expected Start Date	Estimated Value including extensions
Hire of Labour in Stirling	Re-Let	24/02/2020	26/05/2020	12/12/2020	£400,000.00
Waste Management	Re-Let	01/02/2020	01/05/2020	01/06/2020	£1,500,000.00
Statutory Inspections	Re-Let	01/12/2019	01/03/2020	01/05/2020	£96,000.00
Insurance - Fleet	Re-Let	01/07/2021	30/10/2021	02/12/2021	£320,000.00
Signage Production	Re-Let	01/05/2021	01/08/2021	22/11/2021	£400,000.00
Provision of Scaffolding Services at Edinburgh and Stirling Castle	Re-Let	01/02/2021	01/05/2021	01/07/2021	£280,000.00
Human Remains	Re-Let	31/03/2021	01/07/2021	01/09/2021	£260,000.00
Radiocarbon Dating	Re-Let	31/03/2021	01/07/2021	01/09/2021	£300,000.00
Provision of Scaffolding Services at HES Sites in the West Coast of Scotland	Re-Let	01/09/2020	01/03/2021	10/04/2021	£370,000.00
Membership Day to Day Mailing Services	Re-Let	01/11/2020	06/01/2021	17/03/2021	£100,000.00
Cash Collection	Re-Let	01/11/2020	01/03/2021	01/04/2021	£225,000.00
Stationery Contract (Scottish Government Framework)	Re-Let	N/A	N/A	01/06/2020	£90,000.00
Fixed telephony (Call off from SG Framework)	Re-Let	N/A	01/05/2020	10/07/2020	£240,000.00
Environmental Monitoring	Re-Let	01/08/2020	01/02/2020	01/04/2021	£200,000.00
Kisimul Ferry Service 2017	Re-Let	01/08/2020	01/02/2020	01/04/2021	£100,000.00
Aerial Survey - Aircraft - Twin Engine	Re-Let	01/03/2021	01/05/2021	01/07/2021	£50,000.00
Aerial Survey - Aircraft - Single engine	Re-Let	01/03/2021	01/05/2021	01/07/2021	£50,000.00
Vehicle Hire (Scottish Government Framework)	Re-Let	N/A	N/A	01/04/2020	£180,000.00
Professional Estate Services	Re-Let	01/11/2020	01/02/2021	13/04/2021	£200,000.00
Mobile Voice and Data Service (call off from SG or CCS Framework)	Re-Let	N/A	N/A	01/04/2021	£250,000.00
Government Procurement Card (call off from CCS Framework)	Re-Let	N/A	N/A	01/08/2020	£3,900,000.00
Water and Waste Water services (call off from SG Framework)	Re-Let	N/A	N/A	01/03/2020	£600,000.00
Fuel Cards (call off from CCS Framework)	Re-Let	N/A	N/A	01/04/2021	£500,000.00
Taxi Hire - Edinburgh (call off from SG Framework)	Re-Let	N/A	N/A	01/07/2020	£120,000.00
Gas (call off from SG Framework)	Re-Let	N/A	N/A	01/04/2020	£1,400,000.00

