

HIE ANNUAL PROCUREMENT REPORT 2018-2019

June 2019



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

INTRODUCTION

This report relates to our Procurement activity period from April 2018 – March 2019.

The Procurement Reform Act 2014 requires a contracting authority, which has published a procurement strategy in relation to a financial year, to prepare and publish an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of its financial year.

The Act indicates that the annual report must include (as a minimum):

- (a) a summary of the regulated procurements that have been completed during the year covered by the report,
- (b) a review of whether those procurements complied with the authority's procurement strategy,
- (c) to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply,
- (d) a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- (e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- (f) a summary of the regulated procurements the authority expects to commence in the next two financial years.

SECTION 1 – SUMMARY OF REGULATED PROCUREMENTS COMPLETED

This Annual report includes information on Regulated Contracts awarded and commenced between April 2018 and March 2019. A Regulated contract is one which is valued at or over £50k for goods/services and at or over £2million for works. The list includes any Regulated contracts HIE ran on behalf of Wave Energy Scotland (WES), Inverness Campus Owners Association (ICOA) and Orkney Research and Innovation Campus (ORIC).

Regulated Contracts (for the purposes of this report) do not include:

- Wave Energy Scotland (WES) Pre-Commercial Procurement processes are classified as 'Research and Development' which is exempt from the Procurement Regulations.

A summary of the Regulated Contracts awarded by HIE during this period are listed below.

TITLE	AWARD DATE	START DATE	END DATE	MAX EXTENSION MONTHS	VALUE (£)	SUPPLIER NAME
An Lochran FM - Lot 1 Cleaning Services	14/03/2019	01/04/2019	01/04/2022	12	£258,304	Allan Ingram Industrial Cleaning Services Ltd
An Lochran FM - Lot 2 Reception and Security Services	01/04/2019	01/04/2019	01/04/2022	12	£355,553	Key Facilities Management (UK) Ltd
An Lochran FM - Lot 3 Planned Preventative Maintenance and Reactive Maintenance	05/04/2019	01/04/2019	01/04/2022	12	£181,688	ECG Building Maintenance Ltd (T/A ECG Facilities Services)
Open4Business Supply Chain Project	05/02/2019	14/01/2019	14/01/2021	0	£87,499.92	Inverness Chamber of Commerce

Digital Tourism Leader's Academy	04/02/2019	07/01/2019	07/01/2021	12	£133,440	University of Edinburgh (Edinburgh Innovations)
Design Team Services	14/03/2019	25/02/2019	25/12/2019	2	£641,653	Norr Consultants Ltd
FMPR020 - Northern Innovation Hub, Innovation Service and Entrepreneurship Management	12/02/2019	18/02/2019	18/02/2020	0	£153,000	Dynam
RAS Lot 1 021 - Management support and advice	22/11/2018	22/11/2018	30/04/2019	0	£124,334	Scott-Moncrieff
Loch Linnhe Subsea Campus	19/11/2018	19/11/2018	19/12/2018	0	£140,800	Bramble Hub Ltd
Snow Factory and Snow Guns	16/11/2018	16/11/2018	17/12/2018	0	£1,000,000	TechnoAlpin Spa
Coding Academy	07/11/2018	07/11/2018	07/11/2020	12	£264,84	CodeClan Ltd
Design Team Services for Phase 2 European Marine Science Park	03/12/2018	20/11/2018	20/09/2019	2	£172,172	Oberlanders Architects LLP
FMPR015 Scotland Can Do SCALE Events Management and Marketing	02/11/2018	05/11/2018	31/07/2019	0	£50,000.	Wire
North Bridge Phase 2, Inverness Campus	16/10/2018	16/10/2018	16/09/2019	0	£1,900,000	Wills Bros Civil Engineering Ltd
Centre for Health Science FM Services	29/06/2018	29/06/2018	28/12/2018	6	£533,680	Robertson Facilities Management Ltd
Landscaping Services - Argyll and the Islands	06/09/2018	02/07/2018	02/07/2020	12	£82,600	R. Sleigh Landscapes Ltd
XpoNorth (Event & Network)	11/09/2018	01/10/2018	01/10/2021	12	£1,710,500	Ironworks Venue Ltd
Leadership Programme Lot 2 Mentoring	29/10/2018	01/11/2018	01/11/2022	0	£324,000	Peplematters
Leadership Programme Lot 1 Emerging Leaders/Leadership for Growth	29/10/2018	01/11/2018	01/11/2022	0	£1,156,000	Peplematters
Insurance Services - RM3731	31/03/2018	01/04/2018	01/04/2021	12	£650,000	Allianz Insurance plc

30 under 30 - Support for Young Entrepreneurs	31/07/2018	01/08/2018	01/08/2021	12	£1,279,800	Anderson Anderson & Brown
XpoNorth Digital	20/08/2018	15/08/2018	15/08/2021	12	£865,400	Ironworks Venue Ltd
Catering Services at An Lochran, Inverness Campus	02/07/2018	09/07/2018	09/07/2021	12	£95,355	The Grumpy Chef
Promoting Lochaber as a brilliant place to live, work, study and invest FMPR013	28/06/2018	29/06/2018	31/07/2020	0	£70,000	Dynam
ScotGrad Residential Training Venue	04/05/2018	15/06/2018	29/10/2021	12	£113,175	Redfern Travel Limited
ScotGrad Residential Training	23/07/2018	01/10/2018	01/11/2021	12	£116,080	Skillfluence
Orkney Stand Management	31/05/2018	01/06/2018	01/06/2019	24	£150,000	Dynam
FMPR011 – Website development and digital content	18/06/2018	18/06/2018	18/06/2022	0	£480,000	Wire
Support for Communities Framework Lot 5 - Lochaber, Skye & Wester Ross	04/07/2018	25/06/2018	25/06/2020	12	£205,000	CEL Trading Ltd; Delfinity Ltd; SKS Scotland CIC
Support for Communities Framework Lot 4 - Orkney, Shetland and Caithness & Sutherland	28/08/2018	25/06/2018	25/06/2020	12	£220,000	Aquatera Ltd; CEL Trading Ltd; Delfinity Ltd; SKS Scotland CIC
Support for Communities Framework Lot 3 - Innse Gall	04/07/2018	25/06/2018	25/06/2020	12	£220,000	CEL Trading Ltd; SKS Scotland CIC
Support for Communities Framework Lot 2 Argyll	29/08/2018	25/06/2018	25/06/2020	12	£190,000	CEL Trading Ltd; Community Links Scotland; Delfinity Ltd; SKS Scotland CIC
Support for Communities Framework Lot 1 Inner Moray Firth & Moray	04/07/2018	25/06/2018	25/06/2020	12	£115,000	CEL Trading Ltd; Delfinity Ltd; SKS Scotland CIC
Tune into Tourism	21/05/2018	21/05/2018	21/05/2020	24	£288,000	Dabster Productions

FMPR009 - Entrepreneurship Programme 2018-20 Marketing and Communications Plan	11/05/2018	11/05/2018	30/06/2020	0	£35,850	Muckle Media
Provision of Events and Video Production Services Ref SP-16-012 - Entrepreneurship Academy	04/04/2018	03/04/2018	03/06/2020	0	£200,000	Speakeasy Productions
Landscaping Services - Caithness and Sutherland	24/04/2018	03/04/2018	03/04/2020	12	£107,983.32	Messrs Donald Macdonald Ltd
Executive Entrepreneurship Masterclasses - Lot 4 Strategic Negotiations	19/04/2018	26/02/2018	26/05/2020	0	£120,000	Achieve Training Ltd
Executive Entrepreneurship Masterclasses - Lot 3 Strategic Marketing	18/04/2018	26/02/2018	26/05/2020	0	£120,000	University of the West of England
Executive Entrepreneurship Masterclasses - Lot 2 Creating and Maintaining Competitive Advantage	19/04/2018	26/02/2018	26/05/2020	0	£120,000	The University of Strathclyde
Executive Entrepreneurship Masterclasses - Lot 1 Structured Steps in the Entrepreneurs Journey	19/04/2018	26/02/2018	26/06/2020	0	£150,000	The University of Strathclyde

Tender processes not fully completed but in progress

- Space Hub Sutherland Long Term Support
- Community Board Healthcheck, Skills and Training
- Space Hub Sutherland Commercial Model Support
- Centre for Health Science Facilities Management
- Sustainable Tourism for Communities
- Support Network for Social Entrepreneurs
- Management Services at Horizon Scotland

SECTION 2 – REVIEW OF REGULATED PROCUREMENT COMPLIANCE

In carrying out all regulated procurement activity during this period we can confirm that the contracts awarded have conformed with our Procurement Strategy and have complied with the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 and these processes have been facilitated by the Procurement Team.

The HIE Procurement Strategy identified the following key Procurement objectives to help ensure our processes and contracts awarded contributed to improving competitiveness, helping to build a fairer society and ensuring our processes, so far as possible, are innovative, inclusive and encourage participation.

Objective 1 – Sustainable Procurement – consider sustainability for all of our regulated procurement activity and embed it in a proportionate manner to try and help contribute, amongst other things, to strengthening communities and fragile areas.

- We have run our tender processes in an open, fair and transparent manner; treated all relevant economic operators equally and without discrimination; acted in a transparent and proportionate manner; advertised on Public Contracts Scotland to allow free unrestricted access to all tender documentation which ensures they are accessible by all suppliers and run tender processes electronically using clear language to ensure a common understanding of the requirements to ensure all bidders, regardless of size or location, have equal access to our contracts.
- Fair work practices have been incorporated to our tender documentation, where relevant, and we ensure supplier compliance with any commitments they made at tender stage by requesting confirmation of continual compliance from suppliers annually.
- We have encouraged all suppliers awarded a regulated contract in this period to pay the Scottish living wage to individuals delivering our contracts which is helping reduce inequalities within our region and ensured HIE continue to be an Accredited Living Wage employer.
- We promoted the Scottish Business Pledge and referenced our support of the Pledge within our tender documentation.
- We have promoted an approach to procurement activity which maximises opportunities for partners and customers to collaborate, share, learn and influence. This was achieved through attendance at various events including regular Highland Procurement Cluster Group meeting involving other public bodies, enabling sharing of best practice and experiences which has resulted in an increased volume of collaborative contract spend being reported.
- We have consulted and engaged the market as appropriate. We have advertised two Prior Information Notices(PIN) to allow the market increased time/vision of up-coming procurement activity which has also allowed potential suppliers to feedback comments/observations and suggested ways of running specific tenders. In addition, we have sponsored and attended the 'Northern Meet The Buyer' event which attracted 500 attendees and received very positive feedback from the supply base about the benefits the suppliers took from the event.
- We have renewed our membership of the Supplier Development Programme (SDP) which offers free training, advice and information to SME's and the third sector. We actively promote the work of the SDP through our tender processes, our website and social media platforms.
- It is hoped engagement with, and information made available via the SDP and Cooperative Development Scotland (CDS) will increase the competitiveness of our supply base. We have also engaged with Partnerships for procurement (P4P) to look for opportunities to increase opportunities for the Third Sector. This has led to HIE revising our Third Sector spend target for next Financial year.
- We have incorporated equality and diversity requirements to relevant tenders to help contribute to a Fairer Scotland. People Impact Assessments have been completed by staff when they are relevant to a project/process before going out to tender.
- We have completed a Sustainability Test before conducting any regulated tender process. This ensured we have taken full consideration of social and economic wellbeing of our area before going

out to market and allows us to demonstrate we have considered whole life costs and life cycle impact mapping at the initial stage of every regulated contract.

- We are one of the first public bodies to adopt Project Bank Accounts for higher value works contracts. We have awarded two contracts where money will be ring fenced in a trust and paid out simultaneously to the main contractor and their subcontractor. This will help reduce late payment of subcontractors as well as give them greater protection should the main contractor go out of business.

Objective 2 – Deliver value for money – we will ensure contracts are awarded on a combination of factors including (but not limited to) quality, sustainability and cost.

- We can demonstrate value for money from all regulated contracts awarded in this period because they have been awarded on a combination of Quality/Cost factors.
- Over the past twelve months we have used various collaborative frameworks including frameworks set up by:
 - Scottish Government (SG)
 - Scottish Enterprise
 - Skills Development Scotland
 - Crown Commercial Services
 - Advanced Procurement for Universities and Colleges
- We are beginning to conduct more collaborative work where HIE take the lead in the tender process. For example, we have live contracts and framework in place which are available to various other public bodies to use for example Inverness Campus Owners Association /WES/Scottish Enterprise/Highlands and Islands Airport Limited/Scottish Natural Heritage/UHI and the Scottish Funding Council.
- We have completed quarterly spend reviews to try and gain a better understanding of our spend profile.
- We have raised awareness of current and future contracts and frameworks in place throughout HIE to try and increase collaboration internally and reduce our maverick spend. We also have a 'Non-Competitive Action' process for staff to continue to monitor and reduce maverick spend.
- We have conducted several reviews of lower value procurement activity to identify any training requirements that we may need to implement for example, to ensure we are awarding lower value contracts using a combination of Quality/Cost factors.

Objective 3 – Leadership and Governance – we will ensure compliance with all relevant legislation and ensuring procurement activity is aligned to local and national priorities.

- We published our revised Procurement Strategy and Procurement Action Plan in March 2019.
- We have embedded the Sustainable Procurement Duty requirements within our tender documentation.
- We worked in partnership with the Supplier Development Programme and Scottish Government to deliver a Meet the Buyer North event in September 2018. Over 25 public and private organisations hosted stands and there were in the region of 500 attendees on the day. The feedback from suppliers was very positive.
- We have run bidder days for specific tenders, we have held specific site visits for bidders to help them understand our requirements and we have sought feedback from some organisations who expressed any interest in tenders to ask why they didn't bid and/or gain insight to perceived barriers to help improve our processes for future tendering exercises.

The Team are continually developing knowledge/understanding and networks of contacts across the public sector which help us develop our performance for example we have attended:

- Highland Procurement Cluster Group meetings to share best practice with Scottish Government and other local public bodies
- Local procurement cafes run by legal experts
- Procurex – the Scottish annual procurement conference
- Attended training courses (including webinars, online modules etc) internally and externally to continually develop understanding and expertise of procurement, leadership and presentation skills which add value to the team as a whole and help us continually improve our service.

Each member of the team can also demonstrate continual developments through learning/peer to peer review/shadowing work and through supplier and internal customer feedback which is requested following every tender process.

Objective 4 – Continuous Improvement – we will continually review our approach to procurement to ensure we are improving what, and how, we deliver contracts and framework agreements and improve our contract and supplier management processes and procedures.

- We have requested feedback /comments/observations, from bidders and internal staff involved in the majority of tender processes we have run during this period of time. This has more recently been done using Survey Monkey for external parties which provides anonymous feedback in the hope we get information and comments which help up improve our performance and/or better understand any perceived/actual barriers.
- We continue to receive feedback from suppliers for example around potential barriers to participation regarding financial requirements including insurance levels requested during a tender process. We review the levels we ask for per contract and take a decision based on the risk associated with each contract. We are also engaging other external organisations/public bodies to benchmark what we request when we tender for contracts.
- We have provided detailed feedback to all bidders involved in each tender process to help with future tender submissions and ensure all bidders continually improve their understanding of public procurement procedures to help suppliers. The aim of this is to try and improve competitiveness in future exercises.
- We review and track lessons learned from tender processes (including from internal and external feedback) quarterly to ensure we update our templates, guidance and processes as required and share best practice tips and experiences.
- We have created and updated our Contract Supplier Management guidance which includes Contract Handover Packs and updated our tender documents placing a requirement on suppliers delivering regulated contracts to report back to HIE to ensure we can report accurately in future years about what is being delivered under all new contracts awarded.

Spend/Finance

Our contractual spend in 2018-2019 was around £30 million (This figure does not include payments for one off projects project of exceptionally large value for example our Digital Scotland Superfast Broadband spend costs. This is to ensure that the targets and Action Plan do not take account of one off projects and are based on "business as usual" spend).

This is all contractual spend and includes non-regulated spend. The target below is taken from our Procurement Strategy for 2018-2021 which was published in March 2018.

Spend Area	Spend Analysis for 2017/18	Target set for 2018/19	Spend Analysis for 2018/19
Cash Savings for Financial year*	5.7% (this equates to around £1million)	We will aim to report a cash saving between 3% and 6%	4.7% which equates to roughly £1.4million
Maverick spend**	9.3% (this equates to around	We aim to reduce this figure to 7.5%	7.2% which equates to roughly £2.1million

	£1.6million)		
Total relevant spend through a collaborative contract	20% (this equates to around £3.5million)	We aim to increase this figure to between 20% and 22%	25% which equates to roughly £7.5million
Total spend with SME suppliers	56% (this equates to around £9.8 million)	We will aim to increase this figure to between 56% and 58%	55.5% which equates to roughly £16.6 million
Number of Contracts/orders placed with supported businesses (where the supplier employs 30% or more disabled/ disadvantaged employees)	1	We will aim to Increase this figure to 4 orders/contracts.	4
Number of Regulated Tenders published with questions included about community benefits, either scored or non-scored.	45%	Aim to increase this figure to 70%	74%

**These are identified as 'cash savings' which we report to government and are derived from a methodology identified within the "Procurement Benefits Reporting Guidance 2019". document which was produced by the Scottish Government to arrive at the savings figure identified. This figure is not 'cash releasing'.*

*** spend not in compliance with HIE's procurement policy*

SME Spend by locality

HIE attempt to design our procurement processes to try and encourage SME's to bid for contracts with us.

For information we have broken down our spend by Local Authority Area to show how much of the spend was awarded to SME's who have a head office registered within our region.

Area	Total spend	SME spend as a %age of total spend in the area
Highland Council	£4.7million	81% which equates to around £3.9million
Moray Council	£76k	92% which equates to around £70k
Comhairle nan Eilean Siar (Western Isles Council)	£1.2million	99% which equates to around £1.1million
Orkney Council	£3.8million	100% all spend was with SME's
Shetland Council	£50k	93% which equates to around 47k
Argyll and Bute Council	£186k	99% which equates to around £185k

Payment terms

Our payment performance is published within our Annual Report. During this period HIE paid 77% of invoices within 10 days of receipt.

SECTION 3 – COMMUNITY BENEFIT SUMMARY

Within our strategy we made a commitment to consider Community Benefit Clauses for any regulated tender process. HIE have renewed our Social Impact Pledge which indicates that we will consider the inclusion of Community Benefits Clauses in any contract valued over £50k.

Bidders are now expected to support the delivery of community benefits which take into account HIE's role as a local economic development agency. We have updated our Invitation to Tender documents to include more examples of what HIE mean by Community Benefits to help increase the volume of community benefits realised through our contracts.

Outlined below are Case Studies of four current contracts throughout the region which provide a summary of the type of community benefits being delivered within the region. The contracts identified are located in the Western Isles, Orkney, Inverness and Landscaping covers various locations including Moray, Caithness and Lochaber.

CASE STUDIES

Case Study 1 - Connected Communities – Contract delivered by OnTime Limited. Location – Western Isles.

The purpose of the contract is to deliver Field Support Services for the Connected Communities Broadband Network (owned by HIE) which delivers wholesale broadband access to 5 public sector and 2 private sector customers. The supplier is responsible for the future installation, commissioning and decommissioning of equipment required to support the on-going operation of the network. We have published a case study regarding this contract which was recently shortlisted for a Scottish Go Award and is being reviewed by the Scottish Government Best Practice Team with a view to publishing it as an example of how a micro SME can offer Community Benefits in a rural location.

The case study can be found through the following link

<http://www.hie.co.uk/about-hie/working-with-hie/delivering-community-benefits.html>

Total Value of Contract	£292,942.03 From 1st February 2018 to 31st January 2019
Total number of permanent staff involved in delivering this contract	6
Number of Work Placements offered to schools/universities/colleges offered as part of this contract	1
Number of Qualifications Achieved Through Training by staff delivering this contract	1 Achieved (3 in progress)
Total Value of Works Sub-Contracted to SMEs or confirm if they have been offered works but not been successful in winning the sub-contracted opportunities	£95,017.63 – From 1st February 2018 to 31st January 2019
Educational support initiatives such as school visits, career events, mentoring, mock interviews completed with the contract delivery location:	
<ul style="list-style-type: none"> 1 – Mock Interview with someone to provide experience and further mentoring offered 2 – Working with masters student to look at alternative energy sources 3 – Work experience for 4 weeks for a degree student 	
Outline any Community Engagement initiatives undertaken:	
<ul style="list-style-type: none"> 1 – We have provided hardware to North Tolsta Youth Club at no cost 2 – Provision of website for Buth Tholastaidh and server hosting at no cost 	
Describe any other Community Benefits you are delivering under this contract:	
<ul style="list-style-type: none"> 1 – We engaged the services of a self employed person in a community to recover subscriber units 2 – Provision of free IT support and consultancy to Cothom in South Uist 3 – Utilised the services of Heb drone for inspection and surveying work at Maarraig 	

4 – Utilised ex student as internal auditor for ISO9001:2015

Case Study 2 - Solasta House – This was a design and build contract awarded to Robertsons North for construction of Solasta House on Inverness Campus.

Total Value of Contract	£4,336,708
Number of unemployed individuals recruited to deliver the contract	2
Number of Work Placements offered to schools/ universities/ colleges offered	7
Number of qualifications achieved through Training by staff delivering this contract	27 to date
Total Value of Works Sub-Contracted to SMEs	Circa £2.4M
Educational support initiatives such as school visits, career events, mentoring, mock interviews completed with the contract delivery location	9
Outline any Community Engagement initiatives undertaken	
include site visits for UHI civil engineering student and other interested parties at UHI, attendance at the apprentice showcase which saw over 600 young people attend, conducted group interviews for Civil engineering students from UHI and have run 'tower building' course in primary schools in Inverness.	
Describe any other Community Benefits you are delivering under this contract	
<p>Mikeysline Fundraising & Mental Health Awareness Campaign</p> <p>Robertson sold reusable water bottles to its employees, subcontractors and wider supply chain, with 100% of the money raised donated to the Mikeysline charity. A group of local Robertson employees will also be carrying out improvement works at the Inverness premises of Mikeysline. In return, Mikeysline carried out 'tool box talks' with the site teams during Mental Health Awareness Week.</p> <p>The Active Botanic Community Garden</p> <p>Robertson, with support of HIE, have been assisting with the planning and development of the Active Botanic Community Garden at the UHI campus.</p> <p>The garden will be accessible and has bike shelters, sheds for Cycling without age, fruit trees, raised beds, vegetable patches etc.</p> <p>Robertson have been utilising their supply chain for expert advice and support for the ABC Garden.</p> <p>The three year project has already had Civil Engineering students involved to carry out surveys of the are and we aim to continue working closely with the campus to offer students work on a live project.</p> <p>Macmillan Allotment</p> <p>Following the donation of top soil in 2018, Robertson will be carrying out a '60 minute makeover' of the allotment on Friday 25th January. The team will be constructing raised beds, hard standing for a shed, an accessible path and, with the support of Lairg Learning Centre, donating a bespoke picnic bench.</p>	

Case Study 3 – Orkney Research and Innovation Campus – this was a contract awarded for the regeneration of the Orkney Research and Innovation Campus. Contract awarded to R Clouston who are based in Orkney.

Total Value of Contract	£5, 390, 427
Apprentices employed as a direct result of this contract	6
Number of unemployed individuals recruited to deliver the contract	2
Number of Work Placements offered to schools/ universities/ colleges offered	2
Number of qualifications achieved through Training by staff delivering this contract	165 to date
Total Value of Works Sub-Contracted to SMEs	Circa £2.7million
<p>Educational support initiatives such as school visits, career events, mentoring, mock interviews completed with the contract delivery location</p> <p>Attendance at the Career Event in Orkney for secondary school pupils, issuing guidance and promoting opportunities for young people.</p> <p>Mock interview initiative. Two local students attended mock interviews by our Managing Director.</p> <p>Participation and cooperation with the Developing Young workforce Orkney to help encourage your people to the local workforce.</p> <p>Student work placement – currently have 2 live placements.</p> <p>Guided tour of the construction site for 5 local students to explain what they are doing, supply chain and opportunities available to young local people and how small companies can come together to deliver bigger contracts locally.</p> <p>Sponsorship of various local sporting teams and donations and prizes offered to local community organisations and local charities.</p>	

Case Study 4 - R Sleigh – They have won four landscaping contracts in the Inner Moray Firth, Moray, and Lochaber, Skye and Wester Ross and Argyll and the Islands.

Total Value of Contract	£886,162 (total value of the 4 contracts, including any potential extension)
Total number of permanent staff involved in delivering this contract	18
Number of Apprentices recruited to deliver the contract	4 (one of the apprentices is a mechanic but with specific work in this contract)
Number of unemployed individuals recruited to deliver the contract	3
Number of Qualifications Achieved Through Training by staff delivering this contract	4 trailer licences, 3 spraying tickets
Total Value of Works Sub-Contracted to SMEs or confirm if they have been offered works but not been successful in winning the sub-contracted opportunities	Gritting sub-contracted in Argyll and Skye – total value estimate £10,000
Educational support initiatives such as school visits, career events, mentoring, mock interviews completed with the contract delivery location.	
Supporting the Millbank School gardening club pupils in 2019 – have provided free bulbs for them to plant and collecting leaves from the school grounds which they have collected. All new employees are mentored by Operational Director and Senior Foreman as part of their training programme in the business. Individuals with any further requirements are provided with additional support as appropriate	
Outline any Community Engagement initiatives undertaken	
Heavily discounted landscaping for Millbank School, Nairn. Heavily discounted tidy up work for Nairn Allotment group and for Auldearn Community Council. Providing free of charge shrubs for social enterprise in Skye. Supported Forres Bluefins swimming club – funding medals for annual gala Supported Inverness Junior Pipe band – funding jackets for members Supported Nairnshire Agricultural Show – sponsoring prize money and rosettes for horse section	

All other contracts and suppliers

In addition to the above contracts we have also been offered and via the contracts awarded can boast:

- 189 permanent staff involved in the delivery of HIE contracts.
- A further 3 unemployed people were recruited to help deliver our contracts.
- Graduate placements, work sub-contracted to the Third sector, school engagements, university engagements and mentoring,
- circa £200k sub-contracted to SME's and
- various training qualifications achieved.

SECTION 4 – SUPPORTED BUSINESSES SUMMARY

A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged. We have tried to identify and engage with any local companies with the potential to be classified as a supported business to try and identify opportunities to increase our spend in this area.

We have been raising awareness of Supported Businesses internally and have published internal guidance documents on the intranet to try and help identify possible Supported Business within our area.

We do encourage consideration of Supported Businesses before we tender to allow us to consider ring-fencing contracts for Supported Businesses.

We have updated our tender documents with relevant information around Supported Businesses to encourage suppliers to sub-contract to them, where possible, and report this back to HIE on an annual basis.

In addition, we have tried to raise awareness externally by including details on the HIE website e.g. included links to the Scottish Government's PIN for the new Supported Business Framework.

We submit quarterly returns identifying work we are carrying out to try and increase our spend figure with Supported Businesses. Between April 2018 and March 2019 we have spent approximately £1395.85 with Supported Businesses and will continue to keep this high on our agenda and look for further opportunities to increase this figure. The spend was made up from orders placed for the likes of catering, print and the disposal of old laptops.

SECTION 5 – FUTURE REGULATED PROCUREMENTS SUMMARY

As part of the Reporting requirement we must produce a summary of planned procurement activity over the next 24 months. This list is indicative and timescales are estimated and as such some activity may never happen as priorities change, some activity may happen before the dates identified, and values are subject to change due to our internal approvals process before going out to tender. Some of these may be awarded through existing framework agreements and the budgets and scope of the projects has, in a lot of cases, not been agreed or approved internally yet. We will also be procuring contracts at Cairngorm but our exact requirements are not yet known/agreed and as such these cannot be listed at the time of publishing this report.

SUBJECT MATTER	PROCESS new /extended /re-let	Proposed Contract Notice	Expected award and start date	Estimated value
City Deal - Adventure Tourism Accelerator	New	summer 2019	Sep/Oct-19	(approx 200K)
City Deal - Highland Food and Drink Network	New	summer 2019	Aug-19	
Space Port - Launch Site - Design Build and Operate	New	summer 2019	asap	to be confirmed
Space Programme Technical Advisory Group	New	summer 2019	asap	Circa £200k
Internal Audit support	Re-Let	summer 2019	asap	(approx £100k)
Cyber Security Advice	New	summer 2019	asap	(approx £100k)

Marketing and PR Services	Re-Let	summer 2019	asap	Based on previous framework around £2million
Insurance broker	Re-Let	summer 2019	asap	Based on previous contract £30k
Management & Design of Pavilion at All Energy Exhibition & Conference Event	Re-Let	summer 2019	asap	Based on previous contract £250k
Framework for Growth & Development - Specialist Advice	Re-Let	tbc - current contract has an optional extension which may be used	Asap	to be confirmed
Tax advice contract	New	summer 2019	Asap	Spec and requirements being developed
Accountancy/Finance Support	New	summer 2019	Asap	Spec and requirements being developed
EMSP FM	Re-Let	summer 2019	Asap	
EMSP Phase II D&B	New	summer 2019	Asap	Spec and requirements being developed
Inverness Campus MasterPlanning/Strategic Advice	New	Tbc	Asap	Spec and requirements being developed
Inverness Campus Generic Additional Studies	New	Tbc	Asap	Spec and requirements being developed
Inverness Campus - architectural advice/masterplanning	New	Tbc	Asap	Spec and requirements being developed
Inverness Campus wayfinding management & design services	New	tbc	Asap	Spec and requirements being developed
SCALE Summer School 2020	Re-Let – decision yet to be made	summer 2019	asap	Based on previous contract £250k
ICT Technical capability	New	summer 2019	30/6/19	Approx. £130,000
Innovation Knowledge Exchange activities	New	summer 2019	Asap	Spec and requirements being developed
Broadford Industrial Estate - Design Team	New	summer 2019	Asap	Spec and requirements being developed
City Deal - Next Generation Programme	New	summer 2019	Asap	Spec and requirements being developed
Connected Communities Field Support Services	Re-Let	summer 2019 (unless extended)	asap	Based on previous contract £750k

New Product Development	New	summer 2019	Asap	Approx £750,00k
City Deal - Food and drink technology centre (TechHub)	New	Oct-19	Asap	£3,500,000
Landscaping Services HIE wide	Re-Let	Oct-19 (unless extended)	asap	Each Lot will vary in value
Visit Orkney website	Re-Let	Late 2019/early 2020	May 2020	Based on previous contract approx £50k
City Deal Smarter Communities soft landing project	New	Late 2019/early 2020	asap	Spec and requirements being developed
Low Carbon Energy Systems Technical Framework	Re-Let	Late 2019/early 2020	asap	Based on previous contract £140k
Wave Energy Scotland Research and Development call for competition	New	Late 2019/early 2020	asap	Spec and requirements being developed
Community Energy Policy Support	Re-Let	Late 2019/early 2020 (unless extended)	asap	Spec and requirements being developed
Property Prime Consultant	Re-Let	Apr-summer 2020 (unless extended)	asap	Spec and requirements being developed
Research Appraisal and Support Frameworks x 3	Re-Let	Apr-summer 2020 (unless extended)	asap	Based on previous framework around £2m
Property Managing Agent	Re-Let	Apr-summer 2020 (unless extended)	asap	Based on previous framework around £1m
Legal Services	Re-Let	Apr-summer 2020	asap	Tbc – this is generally run by Scottish Enterprise
EE Masterclasses	Re-Let	Apr-summer 2020	asap	Based on previous contract £120k
Communities Support (6 Lots)	Re-Let	Apr-summer 2020 (unless extended)	asap	Based on previous contract approx 750k
Film services	Re-Let	Apr-summer 2020 (unless extended)	asap	Based on previous contract £160k
Copywriting	Re-Let	Apr-summer 2020 (unless extended)	asap	Based on previous contract £250k
Management of HIE Photo Library and Commissioning of Photographers	Re-Let	Apr-summer 2020	asap	Based on previous contract £50k

Digital Highlands and Islands Technical support	Re-Let	Apr-summer 2020 (unless extended)	Asap	Based on previous contract £800k
An Lochran Off site records storage	Re-Let	Apr-summer 2020 (unless extended)	Asap	Based on previous contract £190k
Oban a University Town Project Management Services	Re-Let	Apr-summer 2020	Asap	Based on previous contract £50k
Phase 2 Business Transformation programme	Extension	Apr-summer 2020	Asap	£1,000,000
Marine BioProcessing	Re-Let	summer 2020	asap	
ICOA Landscape Maintenance Supervisor	Re-Let	summer 2020	Asap	Based on previous contract £123k
ICOA Landscape contractor	Re-Let	summer 2020 (unless extended)	Asap	Based on previous contract £938k
Energy Market Regulatory advice	Re-Let	summer 2020 (unless extended)	Asap	Based on previous contract £25k
ScotGrad Residential Training	Re-Let	Late 2020 (unless extended)	Asap	Based on previous contract £110k
City Deal - Food and drink Centre FM and events coordinator/organiser	New	Early 2021	Asap	tbc
Creative Industries - XpoNorth (Event&Network)	Re-Let	Early 2021 (unless extended)	Asap	Based on previous contract £1.7m
City Deal - XpoNorth Digital	Re-Let	late 2021 (unless extended)	Asap	Based on previous contract £865k

SECTION 6 – OTHER CONTENT FOR CONSIDERATION

In October 2018 HIE were shortlisted as finalists in the national 'Government Opportunities' (GO) awards for our approach to embedding Social and Community Benefits into our procurement processes.

We also had our Procurement and Commercial Improvement Programme review by the Scottish Government in March 2019. Our score in 2016 was 51%. In 2019 we significantly improved our score to 80% which reflected the work the Procurement Team have undertaken over the last 3 years. This also reflected the work and effort of many other HIE colleagues and teams who played a vital part in helping improve the score, for example key Contract Managers, HR, Business Improvement and Internal Audit, FM and many others throughout the organisation.

Ian Considine
Head of Procurement
June 2019