

Annual Procurement Report 2024-25



Contents

Executive Summary	3
Section 1: Summary of Regulated Procurements Completed	5
Section 2: Review of Regulated Procurement Compliance	6
Section 3: Community Benefit SummaryA	15
Section 4: Supported Business	17
Section 5: Future Regulated Procurements	18
Section 6: Operation of a PBA	18
Annex A: List of Regulated Procurements Completed in the Reporting Period 1 April 2024 – 31 July 2025	21
Annex B: List of Regulated Procurements planned to commence in next two Financial Years, 2025/26 & 2026/27	25
Glossary of Terms	27

Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires all public organisations with an annual regulated¹ spend of £5 million or more to prepare and implement an annual procurement strategy. In parallel with this requirement, all organisations (including HE and FE institutions) must also publish an Annual Procurement Report (APR) which summarises procurement activities carried out during the same period as the procurement strategy.

Readers of this APR should note that SRUC extended its accounting year for 2024/25 by four months to 31 July 2025. This action was taken to align SRUC's accounting year with that of peer institutions. This APR therefore covers the period 1 April 2024 to 31 July 2025 and summarises the activities that have been carried out in delivering SRUC's organisational **Procurement Strategy**.

Over the period covered by this report 28 regulated procurements were completed²:

		2024 – 25		2023 – 24	
Regulatory Level	Contract Definition ^A	Number Completed	Value (£)	Number Completed	Value (£)
UK	Goods and services worth more than £214,904; works worth more than £5,372,609 ³	5	4,353,000	12	17,404,000
Lower Value	Goods and services worth more than £50,000, works worth more than £2 million	23	2,751,000	28	6,995,000
Total		28	7,104,000	40	24,399,000

While the number of regulated procurements completed is lower than 2023–24, SRUC Procurement Service completed a further 45 tenders and invitations to quote, with aggregate value £878,000, during the reporting period. More information on SRUC's approach to the award of regulated procurements is provided in Sections 1 and 2. A full breakdown of the regulated contracts awarded in 2024–25 can be found in Annex A of this report.

¹ 'Regulated' procurements are those with an estimated value equal to or greater than £50k (≥ £12,500 per annum over a four-year contract period^A including VAT) for goods & services (or £2,000,000 including VAT for a public works contract).

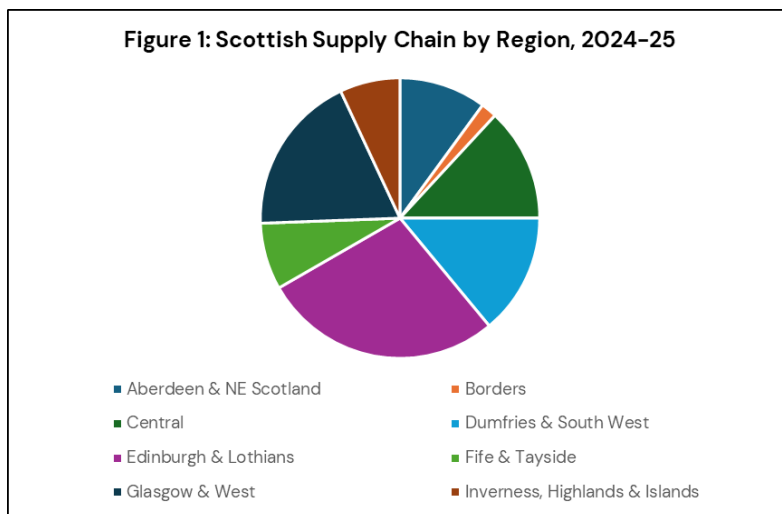
² Deemed completed when the award notice is published or where the procurement process otherwise comes to an end – this assumption covers new contracts, contract extensions and framework agreements.

³ Scottish, UK and EU public contracts thresholds are revised every 2 years. Figures shown are UK thresholds as at 1 January 2024. EU thresholds will continue to apply to existing and future requirements that include whole or partial EU Grant funding.

Subject to the finalisation of SRUC's statutory accounts for the 16 month period of 2024/25, total non-salary expenditure was £49m of which £36m could be influenced by procurement action – £25.6m of A expenditure within Categories B, C and C1, and £10.4m of non-regulated expenditure. SME's continue to be an important component of the College's supply chain with 59% of spend being within this group.

During the reporting period the College did business with circa 3,128 suppliers which was in line with the number in 2023/24. We received 33,992 invoices (29,823 in 2023/24) and this increase of circa 14% can be attributed to the extension of the reporting period by four months, as noted above.

As in previous years, Scotland continues as the key source of supply chain partners and accounts for 52% of the invoices received in 2024-25, closely followed by the rest of the UK which accounted for 46%. Within Scotland, suppliers based in the central belt account for 60% of the goods and services purchased. This is to be expected given the density of businesses in these areas, but SRUC continues to support the wider Scottish economy particularly in the regions closest to our Campuses in Dumfries (14%) and Aberdeen (10%) (see Figure 1).



The activities of SRUC's Procurement Service shall always remain firmly grounded in the Scottish Public Procurement principles of partnership working, equal opportunity, and transparency. At a time when Scottish HE institutions are confronting escalating budget constraints, funding volatility, and inflation-driven cost pressures, the maintenance and continuous improvement of how SRUC procures goods and services has never been more vital. Our current and prospective suppliers can therefore have confidence that SRUC fully understands how its long-term sustainability is interwoven with theirs and that of the wider Scottish and UK economies.

This report comprises six sections which cover the required mandatory reporting:

Section 1: Summary of Regulated Procurements Completed

Section 2: Review of Regulated Procurement Compliance

Section 3: Community Benefit Summary

Section 4: Supported Businesses Summary

Section 5: Future Regulated Procurements Summary

Section 6: Operation of a Project Bank Account (PBA)

Report Approved: 17 November 2025

By: SRUC's Executive Leadership Team

Wayne Power

Position: Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

SRUC strongly believes in conducting all procurement activities in an open and transparent manner, and in line with our overarching organisational Strategic Plan.

The detailed summary of regulated procurement activities completed during the period of this report is set out in Annex A. That information, coupled with the publication of our **Contracts Register** and our systematic use of PCS, PCS Quick Quotes, provides complete visibility of SRUC's regulated procurement activity.

In Annex A, information is set out to show lower value regulated procurements and EU regulated procurements that have been completed. These are separated into contract categories and use of collaborative contracts is shown separately from those let by SRUC. For each regulated procurement that was completed, the information provided shows:

- the date of award;
- the contract start date;
- the category and contract subject matter;
- the name of the supplier;
- the status of the supplier e.g. SME, Supported Business, etc.;
- estimated total value of the contract over the contract period;
- collaborative or institution owned;
- the end date provided for in the contract or a description of the circumstances in which the contract will end.



Section 2: Review of Regulated Procurement Compliance

Where appropriate, SRUC has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money (being the best balance of cost, quality, and sustainability). Primarily these contracts have been put in place for the benefit of the Scottish HE and FEA sectors by **Advanced Procurement for Universities and Colleges** (APUC – the procurement centre of expertise for Scotland’s Universities and Colleges).

In making its regulated procurements every care has been taken to ensure that SRUC awards its business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business. Further, in the period covered by this report the College has conducted all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality, and mutual recognition.



Procurement activities at SRUC are subject to regular, independent review against the **Scottish Government Procurement & Commercial Improvement Programme** (PCIP). The PCIP is a useful tool through which the University/College sector is periodically assessed and which can provide valuable benchmarks by which necessary improvements might be identified, consulted over, planned and implemented.

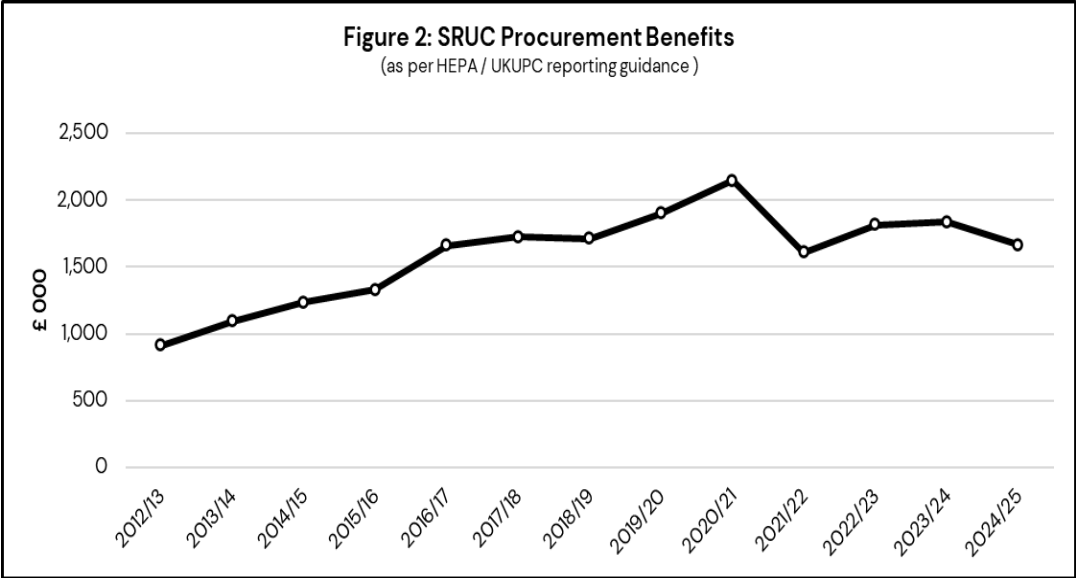
In addition to the PCIP, SRUC’s procurement activities are also subject to regular review by SRUC’s Internal Auditors, KPMG. The most recent audit was carried out in July/August 2024 and reviewed contract compliance. In general terms the audit confirmed that good procurement practice is in place however, some instances of non-compliance with SRUC’s Single Source Justification Policy were identified. In a response to the audit’s findings this Policy has been fully updated and reissued to staff, and instances of single source awards are now subject to increased transparency, including separate reporting to the Chief Financial Officer.

SRUC has procurement processes and sign off arrangements that are consistent with the guidelines set out in the **Scottish Procurement Journey**, and in compliance with its Procurement Strategy, has met the objectives and obligations set out in the following schedules.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.	Proactive engagement with internal and external stakeholders is a key priority within SRUC's Procurement Journey. Early dialogue, both formal and informal, provides the Procurement Service with a clearer understanding of organisational needs, aligns procurement activities with broader objectives, and enhances the overall value delivered by contracted suppliers. Pre-Tender supplier engagement meetings are used to test and refine SRUC's requirements and are also a means to: • A explain and promote the benefits of public procurement processes; • A provide insight into SRUC's specific requirements, including key contractual deliverables; • provide an overview of tender documents; • explain how to submit a tender, and • highlight key initiatives such as the Scottish Supplier Journey, Fair Work First and Procurement and use of Project Bank Accounts(PBA). SRUC actively supports the use of PBAs to protect supply chain cash flow and insulate Tier 2 and 3 sub-contractors from main contractor insolvency. During the reporting period, the contract for the Dairy Nexus: Modular Construction (Ref. 30788) utilised a PBA. This was the fourth PBA that SRUC has operated and a more detailed summary of its purpose and operation can be found in Section 6. Our Procurement Service's experience has proven invaluable in supporting contractors to navigate the set-up and operation of PBAs. We also share insights with peer organisations and the wider Public Sector and during the reporting period we were pleased to provide support to Police Scotland. Our team's proactive approach to knowledge exchange aligns with the ethos of SRUC and further strengthens SRUC's reputation as a valued collaborator. Our Procurement Service continues to support the Scottish Government (SG) and APUC in the development and evaluation of procurement policy, best practice, and contracting plans. Members of our team attend and contribute to the SG Heads of Procurement Group, APUC's Procurement Strategy Group (PSG), and the APUC Strategy Groups for Corporate Services, Estates Services, and Construction. During the reporting period, members of SRUC's Procurement Service also directly participated in the evaluation of APUC's framework tenders for PPE, Waste Management, and Furniture. In addition, in April 2025 SRUC's Head of Procurement became a Trustee and the Treasurer of the HE/FE Procurement Development Fund. In support of the wider Public Sector, SRUC's Procurement Contracts Manager is a member of the Fife Regional Procurement Group (FRPG). The FRPG is a collaborative forum that brings together procurement professionals from key public sector organisations across Fife. Its purpose is to share best practice, explore emerging challenges, and respond to changes in legislation. The group works collectively on strategic procurement issues, with particular emphasis on Community Wealth Building and the Climate Emergency, ensuring that approaches are aligned and innovative ideas are shared.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To work with internal academic budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the learning, research, and service support communities through the development of an effective and co-ordinated purchasing effort within the Institution.	SRUC's procurement activities are fully aligned with the Scottish Procurement Journey, ensuring transparency, compliance with the Public Contracts (Scotland) Regulations 2015, and adherence to recognised best practice. For each regulated procurement, SRUC develops a tailored strategy in consultation with key stakeholders, end users, and suppliers. This process includes a critical review of previous service requirements and supplier performance, with the aim of enhancing future service delivery through innovation and the adoption of emerging technologies. A proportionate approach is applied to non-regulated procurements, reflecting the contract value and strategic importance of the goods or services. This ensures consistency in procurement practice across all levels of spend. Procurement also plays a key role in supporting SRUC's Strategic Plan by: • Positioning procurement as a business enabler for SRUC and its supply chains; • Building collaborative relationships with suppliers to support research, enhance the student experience, and strengthen regional delivery across campuses and sites; • Promoting opportunities for local businesses through direct engagement, advertising on Public Contracts Scotland (PCS), and use of PCS Quick Quotes; • A Structuring contract lots to reflect SRUC's geographic footprint and the capabilities of local suppliers; • Leveraging the procurement journey for each contracting opportunity to deliver best value, support organisational agility, reduce costs, and minimise environmental impact. The Procurement Service works closely with colleagues in SRUC's Finance Group to: • Review non-regulated spend to eliminate duplication, maximise value through aggregation, and reduce procurement costs; • Reconcile budgets based on contracted pricing and delivery timelines; • A Approve all new supplier requests to minimise off-contract spend and mitigate fraud risk; • Maintain an accurate and up-to-date purchase ledger and associated vendor database. To further enhance the effectiveness of SRUC's Procurement Service a new suite of eight Key Performance Indicators was adopted during the reporting period. These will be used to assess the robustness of SRUC's procurement activities, ensure continuous improvement, and will be used as the basis of performance and compliance reports. Further details can be found in SRUC's Procurement Strategy.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.	At SRUC, delivering best value for money remains central to our procurement approach. This is achieved by carefully evaluating the balance between whole-life cost, quality, sustainability, and budgetary considerations, both prior to tendering and throughout the duration of a contract. Our Procurement Service works collaboratively with internal users and wider stakeholder groups to ensure that procurement strategies and tender specifications are robust, clearly defined, and aligned with user needs. This collaborative approach helps ensure that contracts are fit for purpose and deliverable by our suppliers and their supply chains.A Procurement Service carries out a regular review of general ledger expenditure and uses this data to categorise spend into regulated and other procurement opportunities. Where appropriate, requirements across the organisation are aggregated to leverage economies of scale, reduce duplication, avoid overstocking, and minimise unnecessary procurement expenditure. This strategic approach supports our commitment to responsible, efficient, and sustainable procurement.A The added value of procurement activities are quantified using a sector agreed Benefits Methodology which provides transparency and comparability between institutions. Results in this area are influenced by the number and value of contracts awarded each year with higher value contracts such as construction projects delivering larger savings. In addition, greater savings are generated when contracts are awarded for the first time, with subsequent iterations delivering a lower ratio of saving relative to a contract's total value. For the reporting period, across all procurement activity and benefit types, and subject to confirmation of framework spend savings, £1.7 million of savings and efficiencies were recorded by SRUC. The trend of savings and efficiencies set out in Figure 2 follow the above Benefits Methodology and represent the combined efforts of the Procurement Service and staff at all levels and across all of SRUC's locations. Procurement is an organisation wide effort.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance (continued)
To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.	Figure 2: SRUC Procurement Benefits (as per HEPA / UKUPC reporting guidance)  SRUC continues to utilise sector framework agreements whenever possible. Such agreements have a proven record of delivering best value for money across, a diverse portfolio of goods and services, by market leading suppliers committed to providing a quality service. On a quarterly basis, SRUC's use of frameworks is discussed with our APUC account manager and we work to increase our use of appropriate frameworks as they become available.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance, and minimal risk throughout the life of contracts for the benefit of customers and students.	Procurement sits within SRUC's Finance Group and is led by the Head of Procurement, supported by two other Full-Time staff. One member of the team holds a relevant professional qualification. All members of the team carry out a regular training and provision for training (technical, competency and career development) is made within the Finance Group Budget. We participate in a broad range of topical training and e-learning courses including those provided by APUC, CIPS and HEPA. During the reporting period the Procurement Contracts Manager successfully completed APUC's Procurement Leadership Development Programme (PLDP). The PLDP seeks to build leadership capability within the next generation of senior procurement managers and provides a learning environment that reflects the challenges of working in procurement in the HE and FE Sector. Staff also attended open events provided by suppliers to the HE and wider Scottish Public Sector. These events have proved to be highly beneficial as they not only offer updates on new or innovative goods/services but also provide the opportunity for our team to network and develop relationships that could lead to future collaborative opportunities. Regular, structured supplier meetings are a key component of SRUC's Procurement Journey and reflect the shared ownership of contracts between the Procurement Service, internal stakeholders, and suppliers. Meetings provide a platform for all parties to: • Review and discuss each other's performance; • Exchange feedback; • Agree any necessary contract variations; • Plan future activities, including tenders and possible transfer of services to new suppliers. This collaborative approach ensures that mutual value is delivered across the life of the contract, fostering continuous improvement and strong relationships with suppliers. Finally, SRUC's Procurement webpage is regularly updated to include relevant information and links which are useful to both existing and potential suppliers.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To develop sound and useful procurement management information to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.	SRUC's procurement policies and procedures are fully aligned with the Scottish Government's Procurement Journey, ensuring robust internal governance and compliance with recognised best practice. The adoption of paperless processing supports transparent, efficient, and auditable management of regulatedA procurements. Prior to initiating any regulated procurement, and for significant non-regulatedA spend, internal stakeholders are required to complete a Business Case for Procurement. This is used as the starting point for the procurement audit trail and ensures that each procurement project has budgetary approval and is aligned with SRUC's strategic priorities. It also encourages early consideration of: •A Alternative delivery models to meet SRUC's requirements;A • Value for money and return on investment; • Environmental and sustainability impacts; •A Equality, Diversity and Inclusion;A • Risk, including cyber security; •A Potential conflicts of interest.A This proactive approach supports informed decision-making and strengthens procurement's contribution to corporate planning. At the conclusion of each regulated procurement, and prior to confirmation of aA contract award, a Contract Award Recommendation Report (CARR) is prepared and approved in line with SRUC's Authorisation Policy. The CARR provides a transparent summary of the procurement process, including: • The objective of the procurement; • Delivery of value for money; •A Identification of added value and non-cash benefits;A • Highlighting contract risks; •A Identification of lessons learned to support continuous improvement.A

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance (continued)
To develop sound and useful procurement management information to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.	All regulated procurements are advertised via Public Contracts Scotland (PCS), UK Find a Tender, and, when applicable for EU-funded projects, OJEU. For procurements below the regulatory threshold, SRUC utilises PCS Quick Quotes, where appropriate. When market research identifies that potential suppliers are not registered on PCS, the Procurement Service team actively engages with them to promote registration and provide guidance, thereby enhancing supplier diversity and competition. SRUC is committed to supporting SME participation in its supply chain. Where feasible, procurement opportunities are structured into manageable lots (e.g. by geographic region) to encourage access and increase competitiveness. The use of PCS and Quick Quotes further expands opportunities for SMEs to engage with SRUC tenders. To support strategic procurement planning and performance improvement, SRUC conducts expenditure segmentation analysis using data from: • SRUC's General Ledger; • APUC's Hunter database; • Annual spend data uploaded to APUC's Hub. Spend analysis is conducted at divisional, group, cost centre, and geographic levels. Invoice analysis enables identification of supplier-level purchasing trends, supporting opportunities for spend consolidation, cost savings through improved supplier management, and efficiency gains through economies of scale.

Procurement Strategy Statement	Annual Report Commentary on strategy delivery/compliance
To embed sound ethical, social, and environmental policies within the Institution's procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty.	SRUC is a committed Disability Confident organisation, a fully accredited Scottish Living Wage Employer, and since November 2024 an Athena Swan Bronze Award Winner. We are deeply committed to embedding equality, diversity, and inclusion across all aspects of our operations. SRUC actively promotes equality of opportunity for all students and staff, and celebrates the diversity of its stakeholders, including those within its supply chains. To ensure procurement activities contribute positively to community wellbeing, reduce inequality, and support innovation, SRUC integrates environmental, social, and economic considerations into its procurement planning and decision-making. SRUC's procurement processes incorporate the Single Procurement Document (Scotland) and mandate supplier adherence to APUC's Supply Chain Code of Conduct, which sets out expectations for ethical labour practices, environmental responsibility, and fair treatment of workers throughout the supply chain. Contracts are awarded only to suppliers who demonstrate capability, capacity, reliability, and, where relevant, embedded ethical values. Regulated procurements include evaluation criteria that assess a tenderer's approach to Equality, Diversity, and Inclusion (EDI), with higher scores awarded for evidence of proactive measures beyond legal compliance. Suppliers are also asked to provide their Equal Opportunities Policy and, where applicable, a link to their published Gender Pay Gap Report. SRUC ensures compliance with all relevant legislation on a contract-by-contract basis, including Health and Safety, Equality, and Late Payment regulations. Since July 2024, all new suppliers (regulated or otherwise) are subject to revised due diligence before on-boarding to SRUC's purchase ledger. In addition to financial checks, suppliers must provide evidence of insurance certification and are encouraged to submit their sustainability policy and/or carbon reduction plan. In support of the Fair Work First initiative, SRUC encourages suppliers to pay the real Living Wage and adopt fair working practices, including effective worker voice, investment in workforce development, and opposition to exploitative practices and policies of fire-and-rehire. This approach reinforces SRUC's role as an anchor institution contributing to Community Wealth Building, particularly in contracts involving labour-intensive services such as catering and cleaning. SRUC also maintains its compliance with the Modern Slavery Act 2015 and annually reviews and publishes its Modern Slavery Statement. Procurement policies and tender documentation are similarly updated to ensure that suppliers and their supply chains are held to high standards of transparency and ethical conduct.

Section 3: Community Benefit SummaryA

Delivery of Community Benefits is a key aspect of the Scottish Governments drive to achieve a range ofA national and local outcomes that deliver economic, social, and environmental benefits. Community benefitA requirements are defined in the Procurement Reform (Scotland) Act 2014 as a contractual requirementA imposed by a contracting authority:

a) relating to:

- training and recruitment;
- availability of sub-contracting opportunities;

b) or which is otherwise intended to improve the economic, social, or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirementA is included.

SRUC is fully committed to maximising Community Benefits from its procurement activities. For everyA procurement over £4m, SRUC will consider how it can improve economic, social, or environmental wellbeing through inclusion of community benefit clauses, to assist with achieving sustainability in contractA activity, including targeted recruitment and training, small business and social enterprise development, regeneration and support of disadvantaged communities and under-represented groups, and wider community engagement. Where possible, relevant, and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included in regulated procurements valued at below £4m.

SRUC's approach to identifying community benefit opportunities is carried out on a case-by-case basis, with consideration of benefits delivered by previously let contracts, andA engagement with staff, students, suppliers, and other stakeholder groups being seen as key.

Where relevant and proportionate to the subject matter of the procurement, the requirement is then built into the procurement specification and included into conditions of contract performance.A



Community Benefits generated by new regulated and non-regulated contracts awarded within the reporting period include:

Category Subject	Supplier Name	Community Benefit TypeA
Journal Subscriptions (Ref. 35089)	Prenax Ltd	• Staff can take additional leave to take part in charitable work • Summer placements offered to students
Tax Advisory Services (Ref. 27300)	KPMG LLP	• Employability workshops • Employing apprentices and graduates from low socio-economic backgrounds • Access to coding course for students
Mobile Phones (Ref. 27326)	Vodafone Group	• Work experience programmes for Scottish schools • Apprenticeship scheme • Expert business advice delivered to SMEs
Waste Management Services (Ref. 34980)	Biffa Waste Services	• Apprenticeship scheme • Work experience days open to students • Disposable vape take-back scheme • Commitment to support one SRUC project per year of the contract term
Natural Gas (Ref. 20187)	Total Energies Gas and Power	• Community investment fund • Partnerships with secondary schools to work on STEM projects in Scotland
Research Project External Auditor (Ref. 27313)	Henderson Loggie	• Work placements for secondary school students • Training opportunities for HE/FE students • Apprenticeship scheme
Waste Management: WEEE & Associated Materials (Ref. 27652)	CCL North Ltd	• Training opportunities including professional development • Graduate placements and work experience opportunities
Clinical Waste (Ref. 32118)	Stericycle	• Apprenticeship scheme • Financial support opportunities to local community projects
Molecular Biology Test Kits (Ref. 20943)	ID Vet SARL	• Bespoke training seminar on serology for SRUC staff and students • Funded trip to ID Vet SARL's facility in Montpellier, France for SRUC Serology staff • Free webinars for staff and students on scientific subject matters related to the contract

Section 4: Supported Business

For all regulated procurements SRUC considers whether the service provision could be fulfilled by a Supported Business (defined as an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons), whilst remaining compliant with UK and Scottish Procurement Legislation, and ensuring value for money for the College.

We review the Supported Business register and cross reference the operating areas of listed businesses against the procurement requirement. As a result, SRUC was able to award one contract to a supported businesses in this reporting period:

Category Subject	Supplier Name	Contract Details	Contract Value including extensions
Waste: WEEE & Associated Materials (Ref. 27652)	CCL North Ltd	Contract for the disposal and recycling of Waste Electrical & Electronic Equipment, and Associated Materials. Contract awarded under APUC Waste Management Framework EFM1055 AP Lot B for a period of 24 months with the option to extend for a further two periods of 12 months.	£40,000

In compliance with the Period Products (Free Provision) (Scotland) Act 2021, SRUC continues to provide free sanitary products to students via the Social Enterprise Hey Girls, and the Scotland Excel Washroom Services Framework.

Hey Girls are the only social enterprise that donates 100% of its profits to help fund the fight to eradicate period poverty. They are proud to be female led and their mission is to eradicate period poverty in the UK, improve access to quality products and increase education around period health to eliminate shame and stigma. With their unique buy one/donate one business model, Hey Girls have donated over 42 million period products to people in need.

Section 5: Future Regulated Procurements

SRUC is keen to encourage competition by maximising supplier participation in its procurement process to achieve better value for money in its procurements, and to increase opportunities for SMEs to support all aspects of its activities. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two financial years after the period covered by this report.

The information provided in Annex B covers:

- the subject matter of the anticipated regulated procurement;
- whether it is a new, extended or re-let procurement;
- the expected tender notice publication date;
- expected award date;
- expected start and end date;
- the estimated value of the contract;
- contract category A, B, C or C1.

Section 6: Dairy Nexus: Operation of a Project Bank Account (PBA)

6.1 Background

With funding from the UK and Scottish Governments through the Borderlands Inclusive Growth Deal, located at SRUC's Barony Campus, the £5.6m Dairy Nexus is a transformational project to foster innovation in the dairy sector, boost productivity and work to decarbonise the sector.

Officially opened on 3 April 2024, the Dairy Nexus incorporates the best elements of modular design and sustainable construction. The facility will include a Biorefinery Unit to support innovation and creation of new products from those currently used and produced in dairy farming. In addition, new Digital Twin technology will measure all aspects of the dairy farming system, including soil health and cow behaviour.



6.2 PBA Operation

In compliance with the Scottish Government Construction Policy Note (CPN) 1/2019 the contract for the construction phase of the Dairy Nexus required the set-up and operation of a PBA. A specific PBA clause^A was therefore incorporated within the NEC4 (Option A) Terms and Conditions of contract which were provided as part of the Invitation to Tender documentation. The establishment and operation of the PBA was noted as a mandatory requirement within the Main Contractor (Ref. 30788) Invitation to Tender. In addition, tendering contractors were mandated to submit a signed copy of the PBA Trust Agreement. This requirement was included to ensure commitment on the part of the contractor and to minimise the risk of delay in the set-up and operation of the PBA.

As the winning contractor Portakabin had no prior experience of Scottish PBAs, as an early part of the contract's mobilisation, representatives from SRUC's Procurement Service and Finance Department met with key staff from Portakabin to discuss the implementation and operation of the PBA. This stage was a crucial component of the PBA setup process, drawing on valuable insights gained by SRUC through the previous implementation of PBAs including one for the construction of the Rural and Veterinary Innovation Centre (RAVIC), Inverness in 2022/23. Facilitating early engagement between key personnel enabled open, informal discussions around the operational details and payment cycle of the PBA. SRUC considers this collaborative approach essential to ensuring the PBA functions effectively and delivers its intended business benefits.^A

SRUC and Portakabin quickly developed a strong working relationship across all aspects of the project with the building being successfully completed on time, and within budget. While there were delays in the set-up of the PBA (see 6.3 below), all contractors with value contribution to the project of over 1% were paid through the account and SRUC can therefore confirm the following statistics relating to the operation of the Dairy Nexus PBA.

Total Value of Payments through the PBA	£4,551,000
Total Number of Payments to Tier 2 and 3 contractors	31
Average Value of Payments	£146,811
Highest Value Payment	£677,489
Lowest Value Payment	£1,082
Total number of contractors paid (including the main contractor)	6
Percentage of Tier 2 and 3 contractors above the PBA guidance threshold value paid via the PBA	100%

6.3 Lessons Learned

The PBA for the Dairy Nexus was the fourth example of a PBA implemented by SRUC and as such there is good experience within SRUC's core operational team (spanning staff within the Finance Department, Transformation Group, and Procurement Service). However, as noted under 6.2, there was a delay in the PBA becoming fully operational from the start of the build phase of the project which resulted in 20% of the construction cost being paid outside of the PBA. A review of the set-up and operation of the PBA was carried out by SRUC and key observations and associated lessons learned/recommendations are summarised in the table below.

Key Area	Observations	Lessons Learned/Recommendation
Bank Account set up On-boarding of main contractor	• Completion of the PBA Trust Deed was included as a mandatory requirement within the invitation to tender. • PBA Trust Deed was signed by the main contractor on 8 February 2024 and by SRUC on 8 March 2024 (see below). • Contract signed 5 March 2024 but PBA did not become fully operational until 24 May 2025 (see below). • PBA closed 13 December 2024. • The delay in the PBA becoming fully operational relates to difficulties in obtaining account opening forms and prolonged timescales for completion of financial due diligence. This is in part explained by the Royal Bank of Scotland (RBS) transferring its PBA support function to the Nat West Bank, and Nat West staff being unfamiliar with the appropriate forms and general requirements for the operation of a Scottish PBA. In addition, the main contractor was subject to additional financial due diligence as they were not a customer of RBS at the time the PBA was opened.	• A Ensure adequate time is built into the pre-tender process, particularly around sourcing the correct PBA account opening forms. • Recommend that alternative banking providers are encouraged to provide Scottish PBA banking facilities. This would provide scope to increase understanding of the PBA and potentially reduce time consuming due diligence requirements for new bank customers ('Know Your Customer, Know Your Business'). • It is anticipated that as the use of PBAs increases, more banks will offer the facility and the associated administration will become more efficient.A
	• Lack of knowledge/experience of operating Scottish PBAs. • PBA operational timeline and associated controls.	• Review and enhance SRUC's PBA background briefing pack in tender documents, including links to government guidance. • Place greater emphasis on PBAs at SRUC 'Meet the Buyer' events.

Annex A: List of Regulated Procurements Completed in the Reporting Period 1 April 2024 – 31 July 2025

Note: All figures rounded to nearest £000A

Compliant

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date (including extensions)	Contract Value	SME status
PRRSV RT-PCR Test Kits (Ref. 29778)	Indical Bioscience	04/07/2024	C	01/10/2024	30/09/2028	£200,000	Large
Natural Gas (Ref. 20187)	Total Energies Gas and Power	04/07/2024	B	01/04/2025	31/03/2027	£1,500,000	Large
Student Travel Management (Ref. 27425)	Studylink	05/09/2024	B	01/10/2024	31/03/2028	£175,000	Small
Serology Test Kits (Ref. 33983)	ID Vet SARL	09/09/2024	C	09/09/2024	08/09/2027	£68,000	Large
Infrastructure Support Services (Ref. 34331)	Boxxe Ltd	23/10/2024	B	01/12/2024	30/11/2027	£679,000	Medium
Farm Building Renovation, Oatridge (Ref. 34034)	BSL Interiors	28/10/2024	C	04/11/2024	03/04/2025	£145,000	Small
Group Life Assurance & Income Protection (Ref. 32899)	UNUM	01/11/2024	C	01/11/2024	31/10/2028	£874,000	Large
Dairy Nexus Lab Equipment (Ref. 34513)	Thermo Fisher Scientific UKA	11/11/2024	B	11/11/2024	16/04/2025	£50,000	Large
Milking Parlour Reprovision, Barony (Ref. 32895)	Mathers Dairy Utensils	25/11/2024	C	25/11/2024	24/05/2025	£165,000	Small
GIS and Ground Mapping Software (Ref. 20099)	Idox Software	24/11/2024	C	02/12/2024	01/12/2027	£112,000	Large

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date (including extensions)	Contract Value	SME status
Finance System Maintenance (Ref. 35266)	Deltek GB	13/12/2024	C	13/01/2025	12/01/2026	£144,000	Medium
Biomass Fuel (Ref. 27304)	Lot 1: Woody Fuel Lot 2: Balcas Timber	16/12/2024	C	17/12/2024	16/12/2028	£210,000	Lot 1: Small
Molecular Biology Test Kits (Ref. 20943)	Lot 1: ID Vet SARL Lot 2: ID Vet SARL	21/01/2025	C	21/01/2025	20/01/2030	£186,000	Large
Review of Business Systems (Ref. 34230)	SUMS Consulting	06/02/2025	C	10/02/2025	09/08/2025	£85,000	Large
BVDV & PRRS Test Kits (Ref. 35714)	IDEXX Laboratories	17/02/2025	C	17/02/2025	16/02/2028	£141,000	Large
Mobile Phone Services (Ref. 27326)	Vodafone Group	07/03/2025	B	07/03/2025	06/03/2028	£240,000	Large
Fume Cupboards (Ref. 36322)	Don Whitely ScientificA	10/03/2025	C	10/03/2025	09/07/2025	£101,000	Medium
CAS and UKVI System (Ref. 36367)	Enroly	13/03/2025	C	01/04/2025	31/03/2031	£150,000	Micro
Digital Dairy Chain Consultancy Support (Ref. 35465)	Gorse Services	24/03/2025	C	01/04/2025	31/01/2027	£100,000	Micro
Waste Management Services (Ref. 34980)	Biffa Waste Services	17/04/2025	B	18/04/2025	17/04/2029	£480,000	Large
Research Project External Auditor (Ref. 27313)	Henderson Loggie	28/04/2025	B	01/05/2025	30/04/2028	£60,000	Medium
Clinical Waste (Ref. 32118)	Stericycle	30/05/2025	B	01/06/2025	31/05/2029	£80,000	Large
Fuel Cards (Ref. 27311)	Fuelmate Ltd	04/06/2025	B	05/06/2025	04/06/2027	£200,000	Large
Dairy Feed Wagon (Ref. 37823)	James Gordon Ltd	24/07/2025	C	24/07/2025	31/10/2025	£68,000	Medium

Non-Competitive Contract Awards

The following regulated contracts were awarded without competitive action:

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date (including extensions)	Contract Value	Background
Business Support Admin Review	Gunn Stewart Solutions	December 2023	C	N/A	July 2025	£174,000	Non-compliant consultancy contract above the regulatory threshold. Contract awarded without tender or consultation with SRUC Procurement Service.
UltraGreen Cow (Ref. 33783)	No Pollution Industrial Systems	18/08/2024	C	19/08/2024	18/08/2025	£580,000	Installation of additional bespoke equipment by the supplier of the original equipment to SRUC's Green Cow facility. Awarded under a Single Source JustificationA to ensure compatibility of equipment and minimise design and installation costs.
SNEC Arena Surface Refresh (Ref. 32733)	Andrews Bowen Ltd	16/10/2024	C	16/10/2024	15/04/2025	£87,000	Top-up of SNEC arena surface. Awarded under a Single Source Justification toA the supplier of the existing surface to ensure materials compatibility, minimise H&S and animal welfare risks, and eliminate the need for a full replacement of the surface.

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date (including extensions)	Contract Value	Background
Livestock Health Scheme Database (Ref.37619)	Black Isle Tech Ltd	11/07/2025	C	21/07/2025	20/07/2026	£50,000	Short term extension of a contract for proprietary software. Awarded under a Single Source JustificationA to provide continuity and minimise business risk during the development and implementation of a new laboratory management system.

Annex B: List of Regulated Procurements planned to commence in next two Financial Years, 2025/26 & 2026/27

Category Subject	Anticipated procurement commencement date	Anticipated Date of Contract Award	Anticipated Contract Start Date	Anticipated Contract End Date	Anticipated value over Contract period
PPE, Safety wear and related products & services (Ref. 38408)	01/08/2025	01/10/2025	01/11/2025	31/10/2029	£1,000,000
Data Protection Officer Service (Ref. 38365)	01/08/2025	29/08/2025	01/09/2025	31/08/2028	£232,000
New Fire Escape, Barony Campus (Ref. 37980)	30/07/2025	22/09/2025	01/10/2025	30/09/2026	£100,000
Vet Centre Roof Replacement, Aberdeen (Ref. 38187)	14/08/2025	29/09/2025	01/10/2025	31/12/2025	£300,000
Postmortem Teaching Room (Ref. 38366)	21/08/2025	31/10/2025	03/11/2025	02/02/2026	£100,000
Small Animal Teaching Clinic (Ref. 38382)	08/09/2025	31/10/2025	05/01/2026	04/07/2026	£1,700,000
External Audit (Ref. 27301)	06/10/2025	15/01/2026	12/02/2026	11/02/2029	£300,000
Veterinary Health Scheme Test Kits: BVD (Ref. 27309)	15/10/2025	30/01/2026	02/02/2026	01/02/2029	£100,000
Framework for the provision of Student Teaching (Vet School) (Ref. 34564)	01/11/2025	15/02/2026	01/03/2026	28/02/2031	£150,000
Website redesign and implementation (Ref. 35503)	10/10/2025	15/01/2026	02/02/2026	01/02/2031	£310,000
Student Mental Health Assistance (Ref. 38372)	15/10/2025	02/02/2026	01/04/2026	31/03/2030	£300,000

Category Subject	Anticipated procurement commencement date	Anticipated Date of Contract Award	Anticipated Contract Start Date	Anticipated Contract End Date	Anticipated value over Contract period
Design Agency Support (Ref. 38419)	26/09/2025	04/12/2025	01/02/2026	31/01/2029	£111,000
Security Operations Centre (Ref. 38616)	01/08/2025	20/09/2025	01/10/2025	30/09/2028	£336,000
PR & Media Agency Support (Ref. 38420)	26/09/2025	04/12/2025	01/02/2026	31/01/2029	£105,000
Vehicle Hire (Ref. 38421)	02/02/2026	08/04/2026	08/05/2026	07/05/2028	£142,000
Soft Services – Cleaning (Ref. 38409)	05/01/2026	01/05/2026	05/08/2026	04/08/2030	£3,520,000
Catering Services (Ref. 20056)	12/01/2026	01/07/2026	05/08/2026	04/08/2030	£1,000,000
Digital Asset Management (Ref. 38426)	02/03/2026	01/07/2026	01/08/2026	31/07/2031	£60,000
Business Travel Management (Ref. 27426)	01/03/2026	15/07/2026	01/08/2026	37/07/2030	£1,000,000
ERP System (Ref. 38509)	01/04/2026	15/08/2026	01/09/2026	31/08/2031	£5,000,000
Moodle Cloud Based Hosting (Ref. 38373)	01/09/2026	01/02/2027	01/04/2027	31/03/2030	£150,000
Liquid Fuels (Ref. 32489)	01/02/2027	01/03/2027	01/04/2027	31/03/2030	£150,000
Internal Audit (Ref. 27308)	05/01/2027	15/03/2027	01/04/2027	31/03/2032	£300,000
PM Waste Collection & Disposal (Ref. 37191)	01/03/2027	01/05/2027	01/07/2027	30/06/2030	£75,000
Fuel Cards (Ref. 38373)	01/02/2027	03/05/2027	06/06/2027	05/06/2030	£300,000
Occupational Health (Ref. 38406)	01/02/2027	01/09/2027	01/11/2027	31/10/2032	£125,000

Annex C: Glossary of Terms

A, B, C and C1 Contracts

Category A	Collaborative Contracts available to all public bodies
Category B	• Scottish Procurement Collaborative Contracts available to public bodies within a specific sector
Category C	• Scottish Procurement • APUC and other UK HE Consortia • Scotland Excel • NHS National Procurement • Crown Commercial Service
Category C1	Local Contracts for use by individual public bodies Local or regional collaborations between public bodies

APUC's Code of Conduct – APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically, and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct with respect to their organisation and their supply chain.

Sustainability Based Benefits – sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- **Reduction in waste – packaging and/or further use of residue from processes etc.**
- **Reduction in consumption – use of raw materials (consumables, utilities etc.)**
- **Recycling and/or reuse of products**
- **Enhanced Reputation and/or marketing opportunities**
- **Community Benefits delivery**
- **Carbon Reduction**
- **Social, equality and/or environmental improvements**

Category Subject – a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

Community Benefits – requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social-economic and or environmental. Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.

Contracts Registers – these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc.).

Cost Avoidance – the act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

Contract management – or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

EU regulated procurements – are those whose values require that they are conducted in compliance with the Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014.

Find a Tender – At 11pm on 31 December 2020, the Find a Tender service replaced Tenders Electronic Daily (TED) in the UK public procurement process. UK buyers who previously published OJEU notices on TED will now do that on Find a Tender.

Flexible Framework – Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

Hub (Spikes Cavell) – The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to:

- Identify non-pay spend on external goods and services
- Identify key suppliers and how many transactions are made with each
- Highlight common spend across suppliers and categories
- Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made. For more information, visit the Scottish Government’s **Hub** page.

Hunter – Hunter has been developed by the APUC eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

Institutional Dashboard – the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to institutions’ key management reporting data being recorded centrally through Hunter. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and APR Data. The list of reports is planned to expand to cover savings and PCIP dashboard data.

Lotting – the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts

OJEU thresholds – OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week – these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive (2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The present thresholds are (inclusive of VAT): – for Supply, Services and Design Contracts, £189,330 for Works Contracts £4,733,252. Public Contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2024.

Output Specification – requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

Prioritisation – the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

Procurement Journey – the public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

Procurement & Commercial Improvement Programme (PCIP) – replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

PCS (Public Contracts Scotland) – the national advertising portal used to advertise all public sector goods, services or works contract opportunities.

PCS-Tender – the national eTendering system, and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

Segmentation – the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

Small and Medium Sized Enterprises (SMEs) – encompass:

- **Micro enterprises:** enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.
- **Small enterprises:** enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.
- **Medium enterprises:** enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

Social Enterprises – revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

Supply Chain – encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supported business – an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

Supported employment programme – an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

Sustain – the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE institutions and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

Sustainable Procurement – 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 for the organisation but also to society, the economy and the environment.

Third-Party Expenditure – is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It is defined as including: goods – tangible products such as stationery, which are often also known as supplies. Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally. Works – including construction works and utilities – energy costs. It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.