

Strathclyde Partnership for Transport
Procurement Annual Report 2019/2020





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1 Introduction

Strathclyde Partnership for Transport (SPT) is at the heart of the region's transport planning, operations and project delivery and works to develop a joined up network now and for the future. We provide subsidised local bus services, are instrumental in the delivery and growth of community transport, and provide demand responsive services in areas not served by the commercial market and in rural communities where public transport would otherwise be unavailable.

We deliver on street bus shelters and stops, transport information and are a key influence in the design of the bus network.

SPT in addition both control and operate Buchanan, East Kilbride, Greenock and Hamilton bus stations with a total of over 1.5 million bus departures from our stations every year. We also procure contracts which transport approximately 40,000 pupils to school on a daily basis across the west of Scotland.

SPT also own and operate the Subway in Glasgow – the world's third oldest underground railway system and a vital part of the west of Scotland's transport network. The Subway carried just under 13 million passengers in 2019/20, which was a drop of 3.6% on the previous year and can be directly attributed to the onset of Covid 19.

This Annual Report is the third published by the organisation, and details SPT's procurement performance over the period 01 April 2019 to 31

March 2020 within the following activities, as defined by the Procurement Reform (Scotland) Act 2014:

- Regulated Procurement summary
- Review of Regulated Procurement compliance
- Community Benefits
- Supported Businesses
- Planned Regulated Procurement activity.

SPT awarded a total of 934 contracts during the reporting period with a value of £73,203,127.69. Of these awards, 770 contracts were related to both local and school transport and awarded via the organisation's Transport Related and Subsidised Local Bus DPS agreements at a combined value of £52,761,682.83.

The remaining 164 contracts awarded this year amounting to £20,441,444.86, relates to activities pertaining in the main to the Glasgow Subway and other property and support functions.



2 Regulated Procurement Activity

The term “Regulated Procurement” as defined by the Procurement Reform (Scotland) Act 2014, refers to any procurement:

- above £50,000 for goods and services or
- above £2m for works.

All Regulated Procurements are required to be undertaken in accordance with the applicable Scottish Procurement Regulations. As SPT operate the Glasgow Subway which is defined as a “Utility”, certain contracts specifically procured to facilitate the operation of the Subway will fall within the Utilities Contracts (Scotland) Regulations 2016, with the remaining organisational expenditure being covered by the Public Contracts (Scotland) Regulations 2015 and its subsequent revisions.

Regulated procurements can refer to new contracts and framework agreements, the award of mini-competitions and call offs from existing framework agreements and also dynamic purchasing systems (DPS), of which SPT operates three of and has plans for more.

Specifically and for the purpose of this report, the total number of Regulated Contracts awarded by SPT is 274, comprising of 44 subsidised local bus contracts, 193 school transport contracts and 37 other Regulated procurements supporting the general operational business of the organisation. The Regulated procurements completed during the reporting period are described at Appendix 1.



3 Regulated Procurement Compliance

The Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's Procurement Strategy, so far as reasonably practical. This further describes that a review of whether those procurements complied with the procurement strategy and where these did not comply, a statement of how the organisation intends to ensure that future regulated procurements do comply.

SPT's Procurement Strategy for 2019 to 2022 set out how regulated procurement would be undertaken in compliance with the Act and included a Procurement Strategy Action Plan which would ensure compliance with relevant Regulations and Directives for all activity. Both the Procurement Strategy and associated Action Plan action are reviewed annually to ensure that new legislative requirements and organisational aspirations are addressed.

All regulated procurement is undertaken in accordance with a set process aligned to the Scottish Government Procurement Journey, which ensures that each procurement is compliant with both legislative requirements and with the Strategy. Legal elements are further set out in SPT's Standing Orders Relating to Contracts.

Throughout this reporting period, regulated procurements were continuously reviewed and audited to ensure compliance. This process consisted of reviewing the key supporting documents that underpin the process including Procurement Implementation Plans, use of template procurement documentation, scoring guides and tender approval reports. In addition, all SPT procurements in excess of £200k are submitted for approval prior to award at Committee level, which facilitates the scrutiny and validation of the process by a broad spectrum of elected and appointed members from across the west of Scotland. Best value aspects of key contracts are in addition monitored regularly as part of a robust contract management process.



SPT's Procurement Strategy Action Plan 2019 - 22 is included as Appendix 2, and provides detail on the progress achieved for each of the 22 actions. A summary of the status for these actions as at 31 March 2020 is as follows.

Status	Actions	Comment
Complete	11	50% of the targeted actions were completed by the end of the first year of the Action Plan, and further progress has been made within many of these to enhance the original intention.
Ongoing	7	A further 7 actions are classed as ongoing and whilst the original target to commence the desired process or action has been met, the work to continue these remains.
Outstanding	4	There are 4 actions remaining incomplete however all are scheduled to be taken forwards within 2020/21.
Total	22	

Of the actions outstanding from the 2019-2022 Strategy Action Plan and of those ongoing but with enhanced aims, it is anticipated that significant progress will be made within the following areas within 2020/21 and concluded by 2021/22. These include:

E-Tendering Capability

SPT have introduced e-tendering for all procurement activity above £50k in value whether Regulated or not, and use Public Contracts Scotland-Tender as the sole tendering tool. The European Single Procurement Document (ESPD) has in addition been adopted as the sole method of Selection regardless of value. During the period of the new Strategy the organisation will seek to utilise the full electronic capability of the tool for evaluations during 2020/21, and further into contract management during the following year.

Electronic Invoicing

During the financial year 2019/20, SPT received 10,896 valid separate invoices and processed 10,499 these (or 96.4%) within 30 days of receipt. Enhancements to SPT's Financial Management

System (Technology One) during 2019/20 has seen the organisation becoming fully compliant with EU Directives pertaining to the ability to receive electronic invoices. Further work will be progressed to increase capability to encompass the full automatic reconciliation and payment of these.

Contract and Supplier Management

SPT already has robust contract and supplier management processes and dedicated resources who ensure that the maximum efficiencies are derived from contracts of significant value and duration. Over the course of the next two years it is intended that this process will be automated where possible using electronic means of data gathering via PCS-T or similar, and the existing contract management documentation enhanced further and used across a higher percentage of SPT's contract portfolio in order that further benefits are captured and maximised where possible.



4 Community Benefits

Where relevant and proportionate to do so and in applicable Regulated procurements, SPT have sought Community Benefits (CB's) with great success.

Most SPT contracts are however procured via existing internal and external Frameworks and Dynamic Purchasing Systems where CB's have either already been covered at the award stage and cannot therefore be revisited, or where the contracts called off from them are of insufficient value or duration to merit their inclusion. Whilst CB's are only required by legislation to be included in contracts over £4m in value, SPT has incorporated these during the reporting period in lower value contracts where there was a genuine prospect of meaningful benefits being achieved. As a direct result of our procurement activities and the contracts awarded, the following benefits have been realised:

Benefit	Achievement
Training and Apprenticeships	SPT contract awards have secured 1 new apprenticeship and a graduate placement in consultant engineering, and the continuation of a further two trainee posts within information technology. The mentoring of undergraduate students in the area of web development has also been secured .
SME's	Opportunities were made available to local (Glasgow based) small to medium sized contractors to provide services on a sub-contracting basis following the award of two separate engineering survey contracts for the Glasgow Subway.
Work Placements	Work experience placements were offered for school children on three separate contracts.
Events	A commitment by two awarded contractors to attend careers events was secured.

As defined within the Strategy Action Plan and as previously described, it is envisioned that in seeking Community Benefits in all relevant regulated procurements may assist SPT to continue this success and diversify the benefits offered.

Robust contract management and reporting will ensure the maximisation of all benefits realised.



5 Supported Business Use

A supported business is defined by the Public Contracts (Scotland) Regulations 2015 as an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, where at least 30% of the employees are disabled or disadvantaged.

Regulation 21 of the Public Contracts (Scotland) Regulation 2015 permits a contracting authority to reserve contract awards solely for supported businesses to the exclusion of the open market. When considering the route to market for all tenders, consideration is given by SPT of amongst other things, if the contract may be reserved and whether or not this would constitute best value.

SPT has a current contract with Haven Products Limited for the undernoted commodity, directly called off from Lot 3 of the Scottish Supported Factories and Businesses Framework.

Supply and Delivery of Corporate Uniforms	
Start	22 May 2018
End	21 May 2023
Value	£215,000.00
Saving	£6,000.00

SPT in addition has commenced discussions with Scotland's Bravest Manufacturing Company who are appointed to Lot 4 of this Framework as regards the supply of Signage for the organisations estate. It is envisioned that this will result in orders being placed within F/Y 2020/21 and this company have been added to SPT's financial systems to facilitate payment.

SPT will continue to give consideration to the use of businesses of this nature and to use of the third sector, where these organisations are both available and appropriate.



6 Sustainable Procurement Duty

All Public Bodies have a Sustainable Procurement Duty under the Procurement Reform (Scotland) Act 2015. This Duty obliges that with every Regulated Contract, SPT will give consideration to this within any tender in how its award may:

- improve the economic, social, and environmental wellbeing of the authority's area
- facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process
- promote innovation.

During the pre-tender preparation stage and following the publication of a Prior Information Notice, a Sourcing Methodology is completed for each Regulated Contract and within this these areas of sustainability are considered and their incorporation into the tender planned.

This preparation has resulted in the undernoted being achieved for all contracts not related to Bus Transport during the reporting period.

Number of Contracts awarded	
164	
Number Awarded to SME's	
43	26%
Number Awarded to Living Wage Accredited Contractors	
29	18%
Number awarded to Local (within the SPT Area) Contractors	
61	37%

For all Bus Transport related contracts these figures were:

Number of Contracts awarded	
Local Subsidised Bus Contracts	52
School Transport Contracts	718
Number Awarded to SME's	
Local Subsidised Bus Contracts	31 (60%)
School Transport Contracts	672 (94%)
Number Awarded to Living Wage Accredited Contractors	
Local Subsidised Bus Contracts	0
School Transport Contracts	0
Number awarded to Local (within the SPT Area) Contractors	
Local Subsidised Bus Contracts	52 (100%)
School Transport Contracts	718 (100%)

To potentially enhance results and to assist in pre-tender supplier engagement within markets where there are many micro enterprises and eProcurement is less common, SPT has decided that from 01 April 2020 we will join the Supplier Development Programme. It is envisioned that their proven track record in enhancing the tendering capabilities of small businesses will assist in enhancing the quality of the bids received and the bidders competitiveness, which in turn may bring efficiencies and savings to SPT and the Local Authorities it serves and in turn assist the local economy.



7 Planned Regulated Procurement Activity

SPT's planned Regulated procurement activity in the next two years will include both recurring contracts and new requirements, but is dependent on both service requirements and available funding. The onset of Covid 19 is likely to have an impact on both of these factors and in particular may adversely affect Local and School Transport contracts.

As such this planned activity is likely to change over the course of the period, with some projects being cancelled, rescheduled or substituted as priorities change.

The list of all planned Regulated activity is included as Appendix 3, and includes the following:

Bus Stop Infrastructure Cleaning and Defect Reporting - £1.6m

The award of this contract will result in the appointment of a contractor who will maintain the cleanliness of SPT managed bus stops across the west of Scotland, together with a regime of inspection and defect reporting that will ensure all faults are identified and thereafter progressed to rectification, facilitating the safe operation of these sites. This work will be undertaken by the contractor directly on behalf the individual local authorities where the infrastructure is located.

Supply and Delivery of Rail - £4m

The procurement for the supply and delivery of rail for the Glasgow Subway will commence within the next 12 months, and is intended as a collaboration between interested light rail operators across the UK with a view to aggregating volume and maximising value for both the awarded supplier and the end users. This contract is essential to facilitate the planned maintenance work required for the efficient operation of the subway system.

Bus Contracts - Local and School - £42.7m (2020/21 only)

SPT operates two Dynamic Purchasing Systems (DPS) where all contracts for either subsidised local transport or school transport are both advertised and procured. Whilst none of these contracts will be offered to the open market by way of advertisement on Public Contracts Scotland or the EU Journal, both DPS are permanently open to bus and taxi operators who may wish to join this, and in doing so they will be offered the chance to bid for all available contracts which may be offered through it.

Provision of Wifi and Cellular Telephony for Subway - £0

The present provision of these services for mainly Public usage is limited to 2nd Generation Wifi and this tender is intended to increase the current capability to 4G and beyond. As SPT has no fixed specification set for service delivery, these services will be procured openly via Competitive Dialogue with all bidders invited to propose innovative cost neutral or income generating solutions.



8 Savings

For all contracts awarded SPT seeks to ensure that best value is maintained at all times, and through improved preparation, market research and in particular enhanced contract management has realised a significant annual value of savings from its procurement activities.

The savings realised in the last 4 years are as follows:

Year	Savings Total
2016/17	£681,296.27
2017/18	£2,411,741.50
2018/19	£2,954,722.19
2019/20	£1,576,167.02

All savings are calculated in accordance with the Procurement Benefits Reporting Guidance for Scottish publicly funded sectors as published by the Scottish Government.

Appendix 1: Summary of Regulated Procurements (by award date)

Contract Name	Name of Successful Tenderer	Total Value of Contract Awarded	Date of Award	Contract End Date
Provision of School Bus Transport Services	Various	£26,733,420.62	Various	Various
Provision of Subsidised Local Bus Transport Services	Various	£18,949,452.68	Various	Various
Maintenance of Automatic Doors	TS-UK Limited	£100,000.00	08/04/2019	31/03/2023
Microsoft Office 365 Licenses	Insight (UK) Ltd	£72,354.80	08/04/2019	31/03/2022
SPT Weather Sponsorship	Communicorp UK Limited	£68,940.00	15/04/2019	31/03/2020
Strategic Consultancy Support	Debbie Mackie	£50,000.00	07/05/2019	31/05/2020
BBS M&E Refurbishment	Arthur McKay & Co Ltd	£422,983.76	10/05/2019	31/03/2020
Aluminium Bus Shelter Supply Installation and Groundworks	Commutaports Ltd	£3,693,168.22	14/05/2019	19/05/2023
Water Hygiene Services	ChemTech Consultancy Limited	£71,250.00	20/05/2019	31/05/2024
Tunnel Lining Technical Support	COWI UK Limited	£500,000.00	20/05/2019	30/08/2024
Independent Advice Regarding Development at New City Rd	COWI UK Limited	£50,000.00	30/05/2019	30/05/2020
Rail Welding (Call-off Contract)	Renown Railway Services	£700,000.00	07/06/2019	06/06/2023
Renewal of Stationery Call-Off Contract	Lyreco UK Limited	£51,000.00	17/06/2019	16/06/2020
Contract for Supply of Wheel Pans	Lucchini Unipart Rail Limited	£82,080.00	25/06/2019	23/10/2019
Media Buying	The Media Shop (Scotland) Limited	£88,455.00	26/06/2019	17/01/2020
Maintenance of Airwave Fibre	Telent Technology Services Limited	£159,397.00	28/06/2019	30/06/2022
Roadside Advertising Lot 2	Primesight Limited	£750,734.40	23/07/2019	31/03/2024
Waste Removal and Chemical Clean	Keller Geotechnique	£51,698.33	25/07/2019	30/09/2019
Watersealing at Various SPT Subway locations	MacKenzie Construction Limited	£56,437.00	21/08/2019	31/03/2020
Tunnel Lighting Improvements	Amalgamated Construction Ltd	£68,952.36	24/08/2019	25/09/2020
Programme Management Office Support	Turner Townsend Project Management	£1,652,359.10	13/09/2019	15/09/2025
Renewal of Electricity Contract	EDF Energy Customers Ltd.	£3,000,000.00	19/09/2019	31/03/2021
New Processes and Procedures Technical Support	RSSB Ltd	£202,108.00	04/10/2019	06/10/2024

Contract Name	Name of Successful Tenderer	Total Value of Contract Awarded	Date of Award	Contract End Date
Safety Verification Scheme Management Services Phase Two	Anturas Consulting Ltd	£370,362.50	04/10/2019	06/10/2024
Subway Policing and Security	British Transport Police	£726,890.00	04/10/2019	31/10/2022
Mailing Services for SPT	Royal Mail Group Limited	£154,000.00	30/10/2019	03/11/2024
Airwave Secure Communications Survey	Airwave Solutions Ltd	£74,286.00	21/11/2019	04/12/2019
Supply of Auxiliary Contactor Components	Jones Nuttall Ltd	£121,738.29	26/11/2019	05/03/2020
Maintenance and Managed Service of Automated Fare Collection System for SPT	Scheidt & Bachmann GMBH	£3,553,443.35	28/11/2019	30/11/2024
Cyber Penetration Consultancy	Sovereign Secure	£50,500.00	29/11/2019	31/01/2020
Fleet Vehicle Replacement	Robins and Day Peugeot	£56,721.53	11/12/2019	31/03/2020
Roadside Advertising Lot 1	JCDecaux UK Ltd	£164,246.00	16/12/2019	31/03/2024
NU Infor Cloudsuite Facilities & Infor Storage Subscription	Infor (UK) Limited	£56,340.92	19/12/2019	26/04/2022
PASS Maintenance	Trapeze Group (UK) Ltd	£98,946.50	21/01/2020	31/01/2021
Supply of Wheel Lathe Tug	Depot Rail Limited	£130,350.00	10/02/2020	10/08/2022
Website Redevelopment	D8 Ltd	£69,552.00	17/02/2020	31/08/2020
Lighting Supplies for Buchanan Bus Station	BEMCO	£111,050.15	24/02/2020	31/12/2020
Tunnel Stiffener Fabrication and Installation	Tom Young Ltd	£82,070.00	03/03/2020	18/05/2020
Weep Pipe installation at West Street	McKenzie Construction Ltd	£236,500.00	25/03/2020	30/03/2021

Appendix 2: Strategy Action Plan 2019/22

Objective	Planned action	Implementation timescale
Procurement Governance	<ul style="list-style-type: none"> • Implement and maintain legally compliant standard procurement documentation and processes. • Quarterly Reporting of Procurement Performance. • Production of an Annual Procurement Performance Report. 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing
Procurement Capability	<ul style="list-style-type: none"> • The existing Procurement Implementation Plan will be revised to encompass all aspects of the Procurement process, and will be agreed by all parties prior to tender stage. • Pre Market Engagement will be undertaken for all Regulated Procurements. • Consideration will be given to engagement with the Supplier Development Programme to enhance the tendering ability of micro, small and medium sized organisations that do business with us. • Where appropriate, extend the current use of the PCS-T tendering system to facilitate full electronic tendering and evaluation. • Existing standard Procurement tender documentation will be developed and enhanced to streamline the process for both Procurement staff and bidders. • A suite of standard procurement templates will be developed to cover all critical aspects of the service. 	<ul style="list-style-type: none"> • Complete • Ongoing • Complete • April 2021 • Complete • Complete
Sustainability	<ul style="list-style-type: none"> • Appropriate and relevant Community Benefits will be included in all Regulated Procurements, and a methodology developed for their inclusion, recording and reporting. • A measurement of Fair Work Practices, including payment of the Living Wage, will form part of the assessment of all Regulated tenders. • Sustainability of solutions, including the use of recycled materials and whole life costing will be considered when goods, works and services are being specified. 	<ul style="list-style-type: none"> • Complete • Complete • Complete

Objective	Planned action	Implementation timescale
Contract and Supplier Management	<ul style="list-style-type: none"> A process for the management and measurement of contractors performance will be introduced across the organisation A standard reporting format to increase stakeholder awareness of all procurement activity, both present and planned, together with the current position of all contracts will be developed and implemented. 	<ul style="list-style-type: none"> August 2021 April 2021
People	<ul style="list-style-type: none"> All staff involved in procurement activity will be appropriately trained and be in possession of the necessary tools to undertake their duties in an effective and efficient manner. An awareness of Procurement and the constraints in which it is bound will be imparted to key stakeholders throughout the organisation. 	<ul style="list-style-type: none"> Ongoing Complete
Prevention of Fraud and Criminal Activity	<ul style="list-style-type: none"> Declarations and clauses will be introduced into all Procurement activity to disrupt, deter and prevent attempted fraud and the involvement of organised crime in SPT tenders and contracts. 	<ul style="list-style-type: none"> Complete
Collaboration	<ul style="list-style-type: none"> Identify new areas for collaborative working with internal and external stakeholders Ensure collaboration is consistently considered for all procurement activities and increase collaboration where possible. 	<ul style="list-style-type: none"> Ongoing Complete
Purchasing and Payment Systems	<ul style="list-style-type: none"> Electronic invoicing is implemented prior to 01 April 2021 to facilitate compliance with EU Directives. Full reconciliation and payment will be progressed thereafter. Purchasing system use is enhanced to capture all appropriate spend across the organisation The organisation will maximise the number of invoices paid within a 10 day period from receipt in accordance with current Scottish Government guidelines. 	<ul style="list-style-type: none"> Ongoing August 2021 Complete

Appendix 3: Planned Regulated Procurement Activity

Tender	Estimated value	Duration	Estimated publication date
Provision of School Bus Transport Services	£18,560,000.00	Various	Continually Throughout Year
Provision of Subsidised Local Bus Transport Services	£24,180,000.00	Various	Continually Throughout Year
Insurance Services	£310,000.00	2 years	April 2020
Provision of Windows 10 Licensing	£140,000.00	3 years	April 2020
Heating & Air Conditioning	£200,000.00	5 years	April 2020
Bus Shelter Advertising and Maintenance	£1,400,000.00	5 years	April 2020
Provision of Temporary Staff	£3,000,000.00	4 years	April 2020
Tunnel Lining Works	£13,000,000.00	5 years	April 2020
Media Buying	£200,000.00	3 years	May 2020
E-recruitment Portal	£50,000.00	3 years	May 2020
Supply of Rail, Switches and Crossings for Subway	£1,000,000.00	4 years	June 2020
Mobile telephony	£50,000.00	3 years	June 2020
Calibration Services	£130,000.00	5 years	June 2020
Provision of Microsoft Perpetual Licenses	£120,000.00	One Off	June 2020
Provision of Internet Security	£60,000.00	3 years	July 2020
Employment Law Support Services	£80,000.00	3 years	September 2020
Car Park Management System	£150,000.00	3 years	October 2020
Supply and Delivery of Electrical Materials	£240,000.00	4 years	October 2020
Aggregate Supplies	£80,000.00	4 years	October 2020

Tender	Estimated value	Duration	Estimated publication date
Real Time Passenger Information Systems	£1,500,000.00	5 years	October 2020
Supply of Rail Pads	£200,000.00	4 years	October 2020
Provision of a Managed Internet Service	£100,000.00	3 years	October 2020
Bus Stop Infrastructure Cleaning and Defect Reporting	£1,600,000.00	5 years	November 2020
Media Creation Services	£200,000.00	4 years	November 2020
Preventative Maintenance for Manual Doors	£85,000.00	4 years	November 2020
Bogie Refurbishment and Coach Repairs	£50,000.00	4 years	November 2020
Occupational Health Provision	£130,000.00	4 years	December 2020
Provision of Wifi and Cellular Telephony in Subway	£0.00	10 years	December 2020
Supply of Rolling Stock Spares	£400,000.00	4 years	December 2020
Managed Print Services	£110,000.00	3 years	December 2020
Fixed Telephony Services	£105,000.00	3 years	March 2021
Possession Scheduling Software	£50,000.00	3 years	April 2021
Supply of Track Furniture	£500,000.00	4 years	July 2021
Escalator and Lift Maintenance Services	£1,800,000.00	4 years	July 2021
Development and Selling of Advertising Space	£6,700,000.00	5 years	July 2021
Washroom Services	£100,000.00	4 years	October 2021

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