

VisitScotland Annual Procurement Report

For the Period: 1 April 2019 to 31 March 2020

Contents

Section 1 – Introduction/Executive Summary	3
Section 2 – Compliance with Strategic Objectives	4
2.1 EFFICIENCY AND COLLABORATION	4
2.2 SAVINGS	5
2.3 SUSTAINABLE PROCUREMENT	6
2.4 MONITORING, MEASUREMENT & REPORTING	6
2.5 CAPABILITY	7
Section 3 – Governance, Audit and Risk	8
3.1 GOVERNANCE	8
3.2 AUDIT	8
3.3 RISK	8
3.4 FRAUD AVOIDANCE	8
3.5 COVID-19	8
Section 4 – Supplier Inclusion	9
Annex A	
Summary of Regulated Procurements: with contracts that commenced within the Period: 1 April 2019 to 31 March 2020	11
Annex B	
Summary of Regulated Procurements expected to commence during the period 1 April 2020 to 31 March 2022	12

Section 1 – Introduction/Executive Summary

VisitScotland's core purpose is to stimulate new and sustainable growth in the visitor economy. As the lead delivery agency for the visitor economy, VisitScotland focuses its resources on marketing Scotland as a tourism destination and the perfect stage for events, with the aim of attracting domestic and international visitors.

To deliver our vision and our core purpose VisitScotland will focus its activities across the following strategic pillars:

- Building a visitor-shaped destination brand
- Investing in Scotland's Tourism and Events Communities
- Facilitating collaboration and embracing change in a global digital economy

Serving as a key enabler for the VisitScotland Corporate Strategy, the Procurement function aims to assist the organisation's support of the Scottish Government's Economic Strategy for sustainable economic growth.

Through sustainable procurement, VisitScotland seeks to grow the visitor economy directly to the benefit of Scottish based suppliers, accommodation providers and visitor attractions, many of which are SMEs.

As a public sector contracting authority, VisitScotland is subject to Procurement Reform (Scotland) Act 2014. In accordance with the act, VisitScotland is required in law to produce an annual report on procurement activity.

Procurement is core to the successful delivery of VisitScotland's Corporate and Operational Plan.

Recognising an evolving procurement environment, our vision for procurement is one where "by supporting our stakeholders we can stimulate innovation so that the organisation will continue to make procurement decisions and delivering Value for Money in an open, transparent and sustainable manner".

Key procurement activity in the period 1 Apr 2019 – 31 Mar 2020 supported capital investment in:

- Digital Transformation Projects
- iCentre Refurbishments
- IT Infrastructure

Procurement Tendering and Contract Management activity for key projects included:

- Solheim Cup 2019
- iCentre Design & Build
- Event Management & Booking Platform
- Content Marketing
- Media Planning & Buying (Domestic Market)
- Detailed in this report, covering the periods **1 April 2019 to 31 March 2020**, VisitScotland will set out:
 - A summary of regulated procurement activity;
 - A review of compliance with the organisation's procurement strategy;
 - For any procurements that did not comply, how the organisation plans to ensure future compliance;
 - A summary of steps taken to involve supported businesses, the third sector and charities;
 - A summary of community benefits imposed and fulfilled during the period;
 - A summary of the regulated procurements that the organisation plans to undertake in the next two financial years.

Section 2 – Compliance with Strategic Objectives

The activities summarised below in this Section 2 have been conducted in accordance with the Procurement Strategy and in support of the organisation’s Strategic Objectives. VisitScotland can confirm that there are no reportable compliance issues.

2.1 EFFICIENCY AND COLLABORATION

Efficiencies

Public Contracts Scotland (PCS) is used to publicly advertise all relevant tender opportunities with an aggregated value exceeding the current procurement thresholds. The volume of published Regulated Contract Notices is summarised as follows:

- Period: 1 April 2019 to 31 March 2020 VisitScotland published 16 Contract Notices* through Public Contracts Scotland.

In accordance with the Public Contracts (Scotland) Act 2014, the organisation has published and maintained a Contracts Register on www.visitscotland.org on a quarterly basis.

In addition, the organisation has accessed Public Contracts Scotland to manage a programme of Quick Quotes. Quick Quote is used for lower value procurements with a value greater than £5,000, but less than a regulated procurement, or as a call-off contract from a pre-tendered framework contract. These can be summarised as follows:

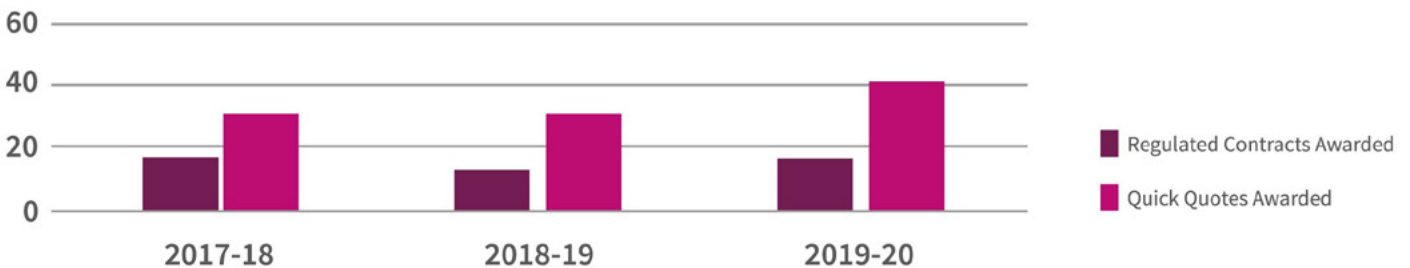
- Period: 1 April 2018 to 31 March 2019 VisitScotland published 41 Quick Quote Notices* through Public Contracts Scotland.

In all relevant procurements, evaluation has been conducted against the criterion that will best deliver the operational objectives of the corporate plan. As required by the Procurement Reform (Scotland) Act 2014, contract award decisions were made on the basis of the Most Economically Advantageous Tender (MEAT).

*Please note that contracts listed in this section 2.1 relate to tender activity that took place during the period 1 April 2019 to 31 March 2020 and may have a contract start at a future date. Contracts listed in Annex A have a start date within the period 1 April 2019 to 31 March 2020 and the tender activity may have taken place at some point prior to the reporting period.

Three Year View

Contracts Notices



Collaboration

VisitScotland has led on collaborative tenders and continues to provide contract and supplier management with input from the collaborative partners:

Contract Title	Contract Value	Collaborative Partners
Books and Maps for Retail	£2,310,000	Historic Environment Scotland and Scottish Parliamentary Corporate Body
Leaflet Merchandising, Storage & Distribution	£810,000	Historic Environment Scotland, National Trust for Scotland, Royal Botanic Gardens Edinburgh and Scottish Parliamentary Corporate Body.

The organisation continues to support external collaborative contract, providing resource into key collaborative User Intelligence Groups (UIGs). This provides technical expertise into the procurement project and insures that the organisation's operational requirements are fully considered in specification and during contract development and management. In the period covered by this report, VisitScotland has contributed to the following collaborative UIGs:

- Media Planning, Buying & Associated Services (Scottish Government)
- International Media Planning, Buying & Associated Services (Scottish Government)
- Publishing, Print, Design and Associated Services (Scottish Government)
- Print and Associated Services (Scottish Government)

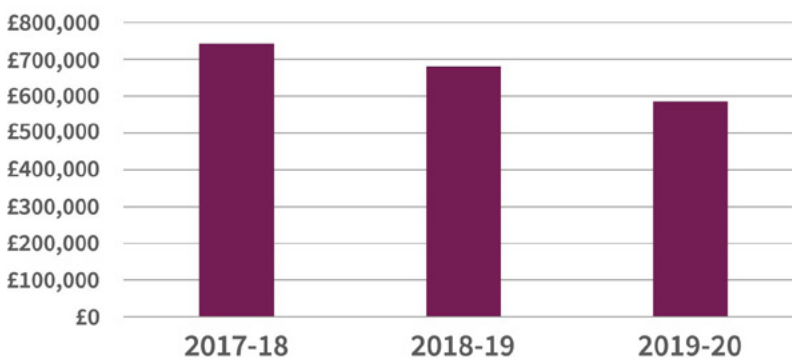
2.2 SAVINGS

Annual procurement efficiencies are forecast in the range of £400k - £700k per annum. The following efficiencies have been achieved:

- Full Financial year 2019/20 - £591k

Three Year View

Efficiencies



2.3 SUSTAINABLE PROCUREMENT

Sustainable Procurement Duty

VisitScotland is committed to the sustainable duty of the Procurement Reform (Scotland) Act 2014. The Act requires that before the organisation buys anything it must consider how it can:

- a. Improve the social, environmental and economic wellbeing of the area in which it operates;
- b. Facilitate the involvement of small and medium enterprises, third sector and supported businesses in the process, and;
- c. Promote innovation

The sustainable procurement duty applies to all regulated procurement exercises and subject to the Regulations. Whilst VisitScotland conforms to the Act, we also seek to embed sustainability as business as usual in all our procurement activity.

The organisation's Application to Tender (ATT) process is effective for all regulated procurement activity (i.e. any procurement activity exceeding the threshold in operation at that time) and must give due consideration to Sustainable Procurement Duty.

Fair and Equal Treatment

VisitScotland is subject to specific equality duties that were introduced by Scottish Ministers through the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The duties came into force on 27 May 2012 and it is incumbent on the organisation to ensure that our tender processes comply with the legislation. VisitScotland complies with the duties of the Act through our standard and 'long form' conditions of contract that explicitly refer to the legislation and employer's liabilities under the Equalities Act.

Fair Work Practices, including the Living Wage

As part of the range of statutory guidance under the Procurement Reform (Scotland) 2014 Act, the guidance deals with fair work practices including the Living Wage as part of procurement processes.

The guidance makes clear that the Scottish Government considers payment of the Living Wage to be a significant indicator of an employer's commitment to fair work practices and that the payment of the Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce. VisitScotland complies with this requirement through the inclusion of 'Workforce Matters' clauses in appropriate tenders.

Payment Performance

VisitScotland observes the Scottish Government's policy for prompt payment to creditors and is committed to paying suppliers within 10 days of receipt of a valid invoice.

- Analysis of invoices received between 1 April 2019 and 31 March 2020 shows that VisitScotland paid 81% of valid invoices within 10 working days.

Conditions of contract are prepared to ensure that where a lead contractor is using the services of a sub-contractor, appropriate terms are in place to ensure that sub-contractor invoices are paid timeously. Payment of contractors and sub-contractors will form part of Contract and Supplier Management reviews in appropriate regulated contracts.

2.4 MONITORING, MEASUREMENT & REPORTING

Contract & Supplier Management

VisitScotland has embarked on a program of contract and supplier management, by working closely with internal customers and contracted suppliers in a bid to maximise efficiency and reduce risk in the contract. The processes and procedures of the Scottish Government's Procurement Journey are adopted and applied to contracts awarded where the total contract value for goods or services exceeds £50,000.

All new regulated procurements have a commodity strategy where the level of Contract and Supplier Management required is identified through a Contract Management Assessment Tool (CMAT).

Best Practice Indicators (BPIs)

VisitScotland continues to report Best Practice Indicators (BPIs) to the Scottish Procurement Information Hub on a quarterly basis and submit our annual return within agreed deadlines.

2.5 CAPABILITY

The Procurement Team

The skills and knowledge of the Procurement team will continue to be developed through further education and internal training programmes to enhance the contribution and benefits delivered by the team

The Scottish Government developed Competency Matrix for Procurement professionals is used to identify development needs and contributes to the organisation's Performance and Career Development plans for Procurement team members.

Within a team of five, we currently have two MCIPS qualified colleagues and two colleagues studying towards a CIPS qualification.

We have recently completed a further two-year cycle of the Modern Apprentice Procurement programme and have recruited the MA on a permanent contract in the role of Procurement Executive.

All members of the team are encouraged to participate in relevant vocational training appropriate to their role.

Internal Colleagues

All colleagues involved in the procurement process, whether this is the purchase order process, tendering, or other, are provided with training relative to their involvement in the process. All new-starts who will access the Purchase-to-Pay system must undertake procurement training before they will gain system access rights. On a monthly basis, the Procurement team manage a training session for all new-starts.

When colleagues are involved in a competitive tender, specific training has been developed and is provided in advance of the tender process.

PCIP (Procurement and Commercial Improvement Programme)

In the 2019 PCIP, the organisation was assessed with an improved score of 77% that sits within the highest banding awarded to a medium sized organisation. A medium-sized organisation is defined as having expenditure in the range £15M - £50M per annum.

Recognising that this is a journey of continuous improvement, VisitScotland Procurement has developed an improvement plan which has been submitted to the Scottish Procurement Capability Team. The plan identifies key actions that will address perceived areas for improvement ensuring enhanced performance.

Management Statement as agreed by Scottish Government (aligned to the Scottish Public Finance Manual). Appropriate separation of duties are in place and all procurement decisions are made within a regulated environment.

Section 3 – Governance, Audit and Risk

VisitScotland operates within a strict governance framework with is rigorously applied and subject to audit:

3.1 GOVERNANCE

VisitScotland currently ensures that all procurement decisions are made relative to with the organisation’s scheme of Delegated Purchase Authority (DPA) and in line with the organisation’s Management Statement as agreed by Scottish Government (aligned to the Scottish Public Finance Manual). Appropriate separation of duties are in place and all procurement decisions are made within a regulated environment.

3.2 AUDIT

Audit services are provided to VisitScotland’s procurement activity internally by our appointed internal auditors and externally via Audit Scotland. Where European funding is utilised by the organisation, then this activity is subject to audit by Scottish Government and the European Court of Auditors. VisitScotland currently have no live European funded projects.

The Procurement team apply a number of processes and procedures that ensure that we will maintain absolute transparency in the procurement process. All procurement information is held centrally on the organisations SharePoint site or on the ERP system (Oracle) and always in accordance with Data Protection Regulations.

VisitScotland confirms that clean audit reports have been filed for Procurement activity.

3.3 RISK

VisitScotland maintain a Corporate Risk Register that shall continue to include entries for Procurement risk at a corporate level.

Risks identified and updated against include, but are not limited to:

- Risk of business disruption due to contractor issues
- Managing Health & Safety in the Supply Chain
- Data Protection
- Brexit impact on Procurement

3.4 FRAUD AVOIDANCE

The organisation maintains a fraud avoidance policy which provides guidance on the prevention, detection, reporting and handling of fraud within VisitScotland. Procurement is a key area where fraud prevention measures can have a major positive impact.

The following mitigating procedures have been put in place within the procurement environment:

- All Procurement team members have undertaken anti-fraud training;
- Separation of Duties is a guiding principle throughout the VisitScotland’s Purchase-to-Pay process and system;
- Conflicts of Interest declarations are required within the Employee Handbook;
- VisitScotland maintains a comprehensive Whistleblowing Policy within the Employee Handbook;
- VisitScotland Standard Conditions or Contract include anti-corruption and anti-fraud clauses aligned with the Bribery Act 2010.

3.5 COVID-19

This Annual Procurement Report covers activities in the period 1 April 2019 to 31 March 2020. As the COVID-19 pandemic only took major effect during late March 2020 many of the impacts and actions only became effective at a later date. VisitScotland will report on COVID-19 activity in a future report.

Section 4 – Supplier Inclusion

SME Expenditure

The duties of Sustainable Procurement include a requirement to “facilitate the involvement of small and medium enterprises, third sector and supported businesses in the process”. This is a duty that VisitScotland also places significant importance on.

- 49% of VisitScotland’s non-payroll expenditure is with Scottish-based SMEs

SME Inclusion in Tendering

Public Contracts Scotland (PCS) is used as the tender portal for VisitScotland. As highlighted in Section 3.1 the volume of SME procurements is summarised as follows:

- Period: 1 April 2019 to 31 March 2020 VisitScotland awarded 57 tendered contracts, both regulated and Quick Quote. 21 were awarded to Scottish-based SMEs

The Third Sector

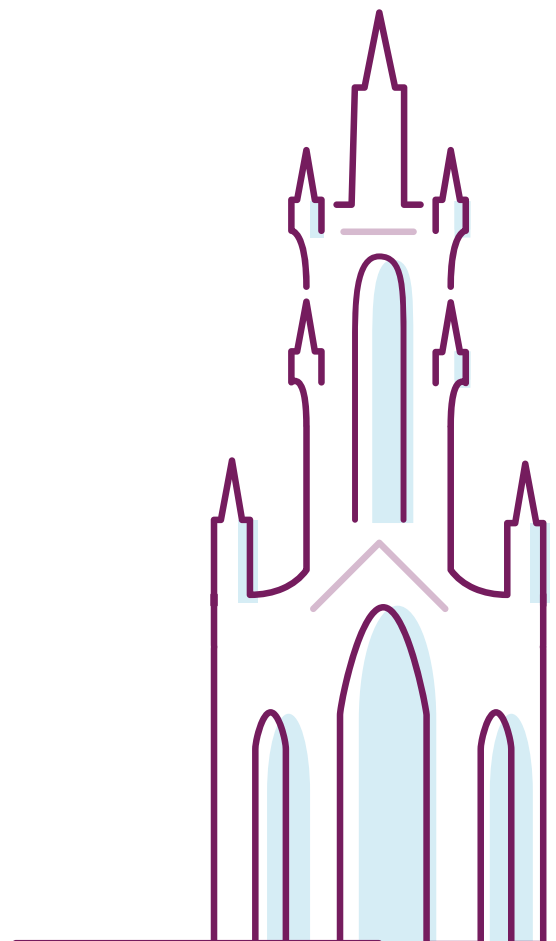
‘Third Sector organisations’ is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations such as charities, and social enterprises (including supported businesses).

VisitScotland is actively looking to grow the involvement of the third sector in the procurement process. As an organisation we are a participant in the Scottish Government led Supported Business Action Group (SBAG).

VisitScotland coordinates a nationwide social tourism project in conjunction with the Family Holiday Association Charity. Over 100 industry partners have been involved in the initiative since it began in 2016, donating accommodation, transport and tickets for family-friendly visitor attractions and experiences.

Additionally, we work with Euan’s Guide as a charity organisation that has developed a website providing accessibility reviews. VisitScotland has worked with Euan’s Guide to develop a series of accessible Guides to Scotland

VisitScotland spent £22,500 with third sector suppliers in the period 1 April 2019 to 31 March 2020.



Section 5 – Community Benefits

The potential to deliver Community Benefits is a consideration in all regulated procurements and in the event that the organisation has a procurement requirement greater than £4M in value then mandatory Community Benefits clauses will be applied in accordance with the Procurement Reform (Scotland) Act.

Community Benefits clauses are incorporated into all regulated procurements on a voluntary submission basis. Where a bidder offers Community Benefits within their tendered submission, these will be accepted as a contractual requirement.

Through tendering there is clear evidence that many of our contracted suppliers are providing significant and varied community benefits, with a number developing community benefits strategies and members of organisations such as Business in the Community Scotland. Others are also affiliated with organisations including Scottish Business Pledge and Scottish Government's Partnership for Change. In addition, our suppliers support programmes aimed at developing creative skills in secondary school pupils or offering their event space facilities free of charge to local colleges, universities and organisations within creative industries.

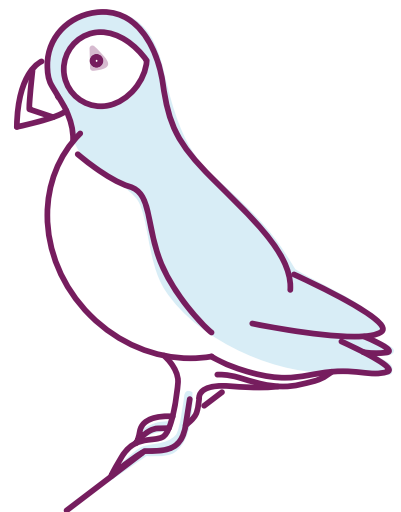
Through inclusion of Community Benefits clauses, VisitScotland's contracts has directly led to:

- LDDS have employed a warehouse person and a part-time driver to deliver the contract in Glasgow & Carrbridge operations (Leaflet Merchandising, Storage and Distribution).

Through contract and supplier management, the following benefits can also be reported:

- Whitespace offer paid and contracted internships that have contributed directly to the contract delivery to VisitScotland (Content Marketing and, the Hosting & Maintenance of Pre-existing Digital Assets)

We can also report that IMG (UK) Ltd donated soft play furniture (valued at £10,000) to Perth and Kinross Council for distribution to local schools and nurseries at the end of the Solheim Cup. Additionally, golf equipment and clothing was contributed by IMG to Scottish Golf for distribution to golf clubs in the Perth and Kinross area for their junior golfers.



Annex A – Summary of Regulated Procurements: with contracts that commenced within the Period: 1 April 2019 to 31 March 2020

Contract Title	Contractor	Contract start date*	Contract Period	Total Value (ex VAT)
May 2020	Sales Agency Services - North America	01/09/2020	36	£315,000
	Content Management System (CMS)	25/09/2020	36	£480,000
June 2020	Social Media Management Tool	30/10/2020	36	£68,000
September	Hospitality for Business Events UK & Europe	13/11/2020	24	£54,000
	Digital Development Resource	05/12/2020	24	£1,000,000
	Internal Audit Services	30/06/2021	60	£525,000
	External Audit Services	04/01/2021	60	£80,000
October 2020	Provision of a Courier Services Provider	14/01/2021	36	£90,000
	Staff Uniforms	18/01/2021	36	£90,000
	Measuring UK&I Marketing Effectiveness	12/02/2021	36	£135,000
	Harris Tweed Products for Retail	13/02/2021	36	£300,000
	Scotland Visitor Survey	28/02/2021	18	£130,000
	Leaflet Merchandising, Storage & Distribution	16/03/2021	36	£810,000
November 2020	EPOS System	01/03/2021	60	£600,000
	Stand & Event Management Services	01/03/2021	36	£990,000
	Exhibition Fit Out Services VS Expo 2020	01/03/2021	12	£125,000
	Soft Skills, Leadership and Technical Training	31/03/2021	36	£120,000
January 2021	Microsoft Enterprise Agreement	31/05/2021	36	£500,000
April 2021	Hosting & Maintenance of Pre-existing Digital Assets	14/07/2021	24	£200,000
	Content Marketing	14/07/2021	24	£1,780,000
	Social Listening Tool	31/07/2021	36	£75,000
May 2021	Content Aggregation Tool	29/09/2021	36	£64,500
	Medical Cash Plan	30/09/2021	36	£100,000
	General Legal Service	30/09/2021	24	£200,000
June 2021	Sales Agency Services - France	08/10/2021	36	£100,000
October 2021	Internet Services - Wide Area Network	06/12/2021	36	£56,000
	Estates Professional Services	06/01/2022	36	£225,000
	Media Planning, Buying & Associated Services (Domestic)	20/01/2022	24	£4,000,000
November 2021	Marketing Creative Services	31/01/2022	36	£60,000
	WAN Services	31/03/2022	36	£150,000

*Please note that contracts listed in this Annex A have a start date within the period 1 April 2019 to 31 March 2020 and the tender activity may have taken place at some point prior to the reporting period. Contracts listed in Section 2.1 relate to tender activity that took place during the period 1 April 2019 to 31 March 2020 and may have a contract start at a future date.

Annex B - Summary of Regulated Procurements expected to commence during the period 1 April 2020 to 31 March 2022

Contract Title	Contractor	Contract start date*	Contract Period	Total Value (ex VAT)
WAN Services	GTT EMEA Ltd	01/04/2019	36	£150,000
Books & Maps – Retail	Lomond & Bookspeed	02/04/2019	36	£2,310,000
Search Engine Optimisation	Yard Associates Ltd	01/05/2019	36	£600,000
Digital Development Resource	Sopra Steria	23/05/2019	24	£1,000,000
Marketing Automation Platform (Marketo)	Softcat Ltd	23/05/2019	60	£1,690,423
China PR	GHC Asia (Grebstad Hicks Communication)	01/06/2019	36	£71,985
Cleaning Services Ocean Point	Churchill Contract Services Ltd	03/06/2019	36	£126,000
Business Analyst Contractor	Evolve IT Recruitment LTD	02/07/2019	9	£123,250
Hosting & Maintenance of Pre-existing Digital Assets	Whitespace	15/07/2019	24	£200,000
Content Marketing	Whitespace	15/07/2019	24	£1,780,000
UK & Global PR (Business Events)	Davies Tanner	01/08/2019	36	£276,360
iCentre Design & Build	Izon Projects Ltd	01/08/2019	36	£2,000,000
Social Media Support in China	Dragon Trail Interactive UK Ltd	14/08/2019	36	£135,000
Exhibition Fit Out Services VS Expo 2020	GES Ltd	19/08/2019	12	£125,000
Cruise Tourism Opportunity Review	EKOS Consulting (UK) Ltd	30/08/2019	12	£60,000
PR in North America - Lot 2 B2B	DCI	01/09/2019	36	£55,000
PR in North America - Lot 1 Leisure	Laura Davidson PR	01/09/2019	36	£360,000
L&D Leadership Foundations	City of Glasgow College	16/09/2019	36	£78,000
Secure Storage Solution	Len Lothian Ltd	24/09/2019	36	£75,000
General Legal Services	DWF LLP	01/10/2019	24	£200,000
EXPO Venue 2020	SMG Europe Holdings Ltd t/a P&J Live	06/10/2019	15	£199,217
Provision of Office Furniture	Flexiform	11/10/2019	36	£189,500
Scotland Visitor Survey 2020	Progressive Partnership Ltd	11/11/2019	16	£129,989
World Sport & Business Summit	Sport Accord	21/11/2019	24	£93,448
Payroll Services	Automatic Data Processing	12/12/2019	12	£50,000
Shell Scheme Stand and Graphics PGA Orlando	Freeman Decorating Co	18/12/2019	3	£70,000
Glasgow LO Works	Axis Interiors Solutions Ltd	19/12/2019	6	£93,023
Scottish Accommodation Occupancy Survey	Moffat Centre	01/01/2020	36	£237,690
Media Planning, Buying & Associated Services (Domestic)	Carat	21/01/2020	24	£4,000,000
Website Intercept Surveys and User Testing	Userzoom Ltd	01/02/2020	36	£69,000
IMEX Frankfurt	Regent Exhibitions Ltd	17/02/2020	5	£116,640
UX Designer	Reed Specialist Recruitment Ltd	18/02/2020	1	£72,000
Software Engineer	Reed Specialist Recruitment Ltd	24/02/2020	8	£98,125
Media Monitoring & Evaluation	Vitreous Analytics Ltd	06/03/2020	36	£246,000
POC Google Cloud Platform Data Tools	Datatonic Ltd	12/03/2020	1	£51,250
UK Segmentation	Union Advertising Ltd	17/03/2020	7	£75,000



Document Reference APR2019-20

Issue Date August 2020

Version 1.0

Prepared By Campbell Forsyth, Head of Procurement

Authorised By Ken Neilson, Director of Corporate Services

Review Period Annual