

Annual Procurement Report 2022-23

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# Introduction

**This Annual Procurement Report details our performance against our Accountant in Bankruptcy (AiB) Procurement Strategy covering the period 1st April 2022 to 31st March 2023. Annexes to this report provide our responses to the statutory reporting requirements as per the Procurement Reform (Scotland) Act 2014.**

AiB’s annual regulated procurement spend exceeded the £5,000,000.00 threshold considered to represent significant procurement expenditure this reporting year. AiB is therefore required to produce an Annual Procurement Report (APR). Typically, AiB’s annual regulated procurement spend is well below this threshold, however AiB has and will continue to publish an APR to uphold the fundamental principle of transparency.

This report will detail:

* a summary of the regulated procurements[[1]](#footnote-1) that have been completed during the year covered by the report[[2]](#footnote-2)
* a review of whether those procurements complied with the AiB Procurement Strategy
* the extent that any regulated procurements did not comply and a statement of how AiB intends to ensure that future regulated procurements do comply
* a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report
* a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report
* a summary of the regulated procurements the authority expects to commence in the next two financial years
* a summary of the non-regulated procurements that have been completed during the year covered by the report.

# About Accountant in Bankruptcy

**Accountant in Bankruptcy (AiB) is an Executive Agency of the Scottish Government (SG) under the terms of the Scotland Act 1998. The Agency operates independently and impartially while remaining directly accountable to Scottish Ministers.**

The Accountant in Bankruptcy (The Accountant) is an independent Statutory Officer and an officer of the court appointed under Section 199 of the Bankruptcy (Scotland) Act 2016. The Accountant is also Agency Chief Executive and Accountable Officer.

AiB is responsible for administering the process of personal bankruptcy in Scotland. We are responsible for the determination of personal and entity bankruptcy applications, making decisions on debt payment programme applications and payment distribution under the Debt Arrangement Scheme (DAS) and protecting trust deeds. All bankruptcies, trust deeds and DAS payment programmes are recorded in public registers maintained by the Agency along with details of corporate liquidations and receiverships.

## Mission

**“To provide access to fair debt relief and debt management processes**

**for the people of Scotland,**

**taking account of the rights and interests of all those involved.”**

## Values

Our core organisational values mirror those of the Civil Service as a whole. We will embody the values of integrity, honesty, objectivity and impartiality in our work. In doing so we will ensure our activities remain independent, responsive, accountable, transparent, fair and open.

## Statutory and General Functions

Our mission and values are embedded in the core functions of the Agency:

* delivering, with stakeholders, a range of options for individuals seeking debt relief and debt management
* supervising insolvency in Scotland
* providing statutory information by maintaining a public register of insolvencies and the DAS register
* supporting ministers by developing policy
* protecting creditors and the general public
* achieving best value services for customers.

## Business Strategy

The AiB Business Strategy focuses on three Strategic Purposes:

**Delivery of core products**We will ensure Scottish insolvency and debt management legislation and services effectively address the challenges society face today and will provide a service for debt management and debt relief which remains fit for the current climate.
**Continuous Improvement**Wewill continue a process of focussed change aimed at increasing the effectiveness and efficiency of AiB and develop functional policies and processes targeted at fulfilling our mission.

**Build and Maintain Effective Stakeholder Relationships**We will work collaboratively across the Agency, Scottish Government, and our broad stakeholder base, both at home and internationally, to help best deliver our core products and to achieve continuous improvement.

These strategic purposes are coherent with the wider Scottish Government purpose and objectives and impact on all eleven of the Scottish Governments National Outcomes as defined in the [National Performance Framework](https://nationalperformance.gov.scot/).

The AiB Business Plan also details five objectives to which the procurement mission and aims have been aligned:

* Objective 1 - Delivery of Core Products
* Objective 2 - Continuous Improvement
* Objective 3 - Stakeholder Engagement (Internal and External)
* Objective 4 - Agency Governance and achieving Best Value
* Objective 5 - Environment and Social

# Summary of AiB Procurement Activity

**The below summary covers AiB procurement activity for the 2022/23 financial year.**

**AiB completed 2 Regulated Procurements worth £5,127,000.00.**

**One regulated procurement included use of an SG collaborative Framework and one regulated procurement included an open competition to create an AiB Framework.**

**AiB completed 6 Non-Regulated Procurements worth £45,285.00.**

**Our total spend for the 2022/23 financial year was £3,795,522.00**

**97% of which was on contract spend.**

**We estimate cash savings of £114,786.63 have been achieved during the reporting year through our use of collaborative agreements.**

**Community Benefits provided by our Service Providers this reporting period included the creation and retention of four employment opportunities including opportunities for modern apprentices, graduates and persons from disadvantaged groups.**

**Our Service Providers are working to support the Scottish Government Green Agenda though considering their direct and indirect greenhouse gas emissions.**

# Progress towards the Procurement Mission and Aims

## Procurement Mission

**“We will compliantly and effectively procure and manage our contracts to deliver the required services, value for money and continuous improvement in sustainable ways, while promoting commercial awareness through all our processes.”**

## Aim: Legislative Compliance, Governance and Achieving Best Value

**What we said we would do:**

* Promote and ensure procurement compliance
* Ensure availability and use of available contracts to fulfil AiB requirements using collaborative contracts where possible
* Ensure our procurement exercises uphold the fundamental procurement principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality
* Ensure that our contracted Insolvency Practitioners and Legal Agents use our other contracted Service Providers when working on AiB cases
* Report on commodity spend and on/off contract spend throughout the year and continue to develop savings and benefits reporting.

**Our progress and plans:**

* We have introduced procurement assurance checklists and risk registers for all available procurement routes. This ensures compliance with applicable public procurement legislation and Scottish Public Procurement Notices. Use of risk registers across all procurements will aid assurance of business continuity through ensuring end-to-end risk management
* The procurement document suite has been redrafted with comprehensive guidance to ensure development of robust procurement strategies and tender documentation
* All User Intelligence Group (UIG) and Tender Evaluation Panel (TEP) members complete a Conflict of Interest and Declaration of Impartiality statement prior to any procurement involvement to ensure fairness and transparency throughout the procurement process
* The procurement team has developed and delivered in-house evaluation training to TEP members emphasising the need to uphold the fundamental principles of procurement
* Our Insolvency Practitioners and Legal Agents consistently use our other contracted Service Providers when working on AiB cases
* An AiB Procurement Policy is currently in draft to open non-regulated procurement ability to AiB staff holding Delegated Purchasing Authority (DPA). This will be supported by in-house procurement training and use of the assurance checklist and risk registers

## Aim: Economic Growth and Sustainability

**What we said we would do:**

* Consideration and inclusion of the Sustainable Procurement Duty where appropriate and proportionate
* Facilitate the involvement of Small and Medium Enterprises (SMEs), third sector bodies and supported businesses where possible
* Support student placements in the procurement team
* Continue working towards becoming a carbon zero organisation
* Consider and implement the Scottish Government Fair Work First guidance.

**Our progress and plans:**

* The Sustainable Procurement Duty is embedded into all procurement strategies for regulated procurements. Each element of the Sustainable Procurement Duty is discussed with the UIG with inclusion subject to an assessment of appropriateness and reasonable
* Inclusion of SMEs is considered for all regulated procurements. Market engagement is undertaken where appropriate to better understand the market’s delivery scope and capacity
* AiB searches the Partnership for Procurement, Framework for Supported Business and British Association for Supported Employment for all regulated procurements. The option to reserve a contract for supported businesses is discussed with the UIG should any supported businesses be identified
* The majority of AiB contracts are call-off contracts. The provisions of the Sustainable Procurement Duty therefore do not apply as per Section 6(2)(b)(i) of the Procurement Reform (Scotland) Act 2014. Over the next financial year, we intend to undertake market research to include elements of the Sustainable Procurement Duty into more of our procurements in a proportionate manner that does not deter potential tenderers.

## Aim: Procurement Capability and Improving Commercial Awareness

**What we said we would do:**

* Work with Senior Managers and AiB staff to identify services or business areas where we can improve performance through an innovative procurement approach
* Participation in AiB project processes to provide procurement guidance
* Participation in business planning processes
* Develop procurement staff
* Implementation of the Procurement Capability Improvement Plan (PCIP) recommendations.

**Our progress and plans:**

* The Route 1 procurement document suite has been redeveloped. The ‘Award Criteria’ for Route 1 procurements may now take the form of tick boxes or more formal technical questions. This change represents a procurement process improvement wherein the technical assessment of low value and low risk tenders can be kept proportional with a minimal administrative burden whilst still achieving legislative compliance
* Procurement are always on hand to answer procurement questions from any AiB staff. Over the next financial year the procurement team will be providing a ‘Procurement Awareness’ session to improve the commercial awareness of any interested AiB staff
* The AiB Procurement Manager is currently undertaking the Level 5/6 CIPS Award
* The procurement team has also recruited a Modern Apprentice who is presently completing a Business Administration qualification to be followed by completion of the Level 3 CIPS Certificate
* The recommendations from the PCIP are currently being reviewed by the procurement team. These recommendations will be used to develop any procurement documentation and processes where appropriate.

## Aim: Stakeholder Engagement and Collaboration

**What we said we would do:**

* Working with the Contract Management Team and Digital Transformation Team to implement appropriate contract management processes
* Work with SG colleagues to ensure that collaborative opportunities are utilised where possible
* Be active in the wider Scottish Government Procurement network
* Ensure use of early market engagement where appropriate
* Use of customer satisfaction surveys to gain insight into the AiB procurement service and processes.

**Our progress and plans:**

* The development of KPIs has changed to include performance criteria considerations and KPI scoring descriptors. The frequency, actions and monitoring requirements are also stated. This makes the obligations clear to both parties and provides clear grounds for Rectification Plan requests and/or contract termination
* A Prior Information Notice (PIN) was used for our Credit Reference Check requirement to ascertain the market offering and develop a procurement strategy within competition would be maximised. A PIN will be used for regulated procurements where deemed to be appropriate. Questions around inclusion of Sustainable Procurement Duty elements will be a focus for the coming financial year
* The results of the internal Procurement Satisfaction Survey have highlighted areas for service improvement. These areas include training provision and communication. These findings and our intended steps for improvement will be published in the internal staff newsletter.

# Review of Regulated Tender Compliance

**AiB ensures achievement of all mandatory requirements stated in Section 15(5) of the Procurement Reform (Scotland) Act 2014 for any regulated procurements.**

**The below describes the actions to achieve compliance, describes the extent of any non-compliance for any regulated tenders and how compliance will be assured in future iterations.**

## Procurement Reform (Scotland) Act 2014 Compliance

**Section 15(5)(a)(i) - Regulated tenders will contribute to the carrying out of AiB functions and achievement of its purposes.**

All AiB procurements are now mapped on a Procurement Pipeline. This pipeline is managed by the procurement team and spans a two-year period.

The procurement team ensure that all tenders support the AiB function and purpose and that each procurement exercise is managed effectively to ensure service continuity.

The procurement team produce an annual procurement strategy stating the procurement mission and aims for delivery within the reporting year. The procurement mission and aims support the AiB mission, value and statutory and general functions.

Over the next financial year procurement will provide a monthly update for the Senior Management Team meeting. A quarterly update will also be provided for AiB staff in the AiB Times.

A refreshed AiB Procurement Policy will be introduced in the next financial year. This policy will open non-regulated procurement ability to select AiB. In-house procurement training and use of the assurance checklist and risk registers will help to ensure compliance with applicable procurement legislation. The aim of this policy is to enable more timely access to goods and services to aid AiB in attainment of its function and purposes.

**Section 15(5)(a)(ii) - Regulated tenders will deliver value for money.**

All regulated tenders require formation of a User Intelligence Group to develop a procurement strategy and tender documentation. The procurement strategy is used to document the requirement, any market research, supplier engagement and decisions to support the procurement route.

All procurements are tendered with an appropriate Price:Quality Ratio fitting the requirements commodity type, complexity and business impact. This ensures that appropriate emphasis is given to Price or Quality for each procurement, thereby aiding attainment of value for money.

Procurement challenges each specification to ensure the terminology, phraseology and specification type maximises competition and (where appropriate) invites innovation. Over the next financial year the procurement team will provide specification development training to each UIG.

A tender report is produced for all competitive procurements. This details the tender process, scoring criteria and resultant outcome based on the Most Economically Advantageous Tender methodology. Any savings and benefits, community benefits and/or sustainability/environmental benefits are also detailed.

Lessons learned are captured as part of the tender report and then considered upon commencement of the next tender iteration. This help achieve added value through process improvement.

**Section 15(5)(a)(iii) - Regulated tenders will be carried out in compliance with the General Duties under Section 8.**

All regulated tenders require formation of a User Intelligence Group to develop a procurement strategy and tender documentation. Each UIG is formed from suitably qualified and experienced personnel from across AiB and the wider Scottish Government where required.

All UIG members are required to sign a Conflict of Interest and Declaration of Impartiality statement prior to any procurement involvement to ensure fairness and transparency throughout the procurement process.

Each UIG is led by a procurement professional who is responsible for ensuring the procurement process embodies fairness and transparency at every stage and that the

All tenders evaluations are followed by a moderation meeting. This is led by the UIG procurement professional who will ensure that all tenders have been evaluated fairly and without discrimination.

AiB advertise and manage tender opportunities via Public Contract Scotland (PCS). Where the higher value procurement threshold is reached (currently £189k for goods and services) tenders will also be advertised through the Official Journal of the European Union (OJEU).

The Sustainable Procurement Duty is considered and included where applicable, appropriate and proportionate.

We aim to publish our Contract Award Notices within 30 days of the contract being awarded and a register of our current and expired contracts is publicly available on the Public Contracts Scotland (PCS) website.

**Section 15(5)(b)(i) – General policy on the use of Community Benefits requirements**

Community benefits are considered for all regulated procurements irrespective of value. Inclusion is discussed with each UIG with consideration given to the nature of the requirement, appropriateness and proportionality. This reporting year both of our regulated contracts contained community benefits requirements.

During this reporting period our insolvency contracts collectively provided four employment opportunities including a graduate position, two modern apprenticeships and one employment opportunity for persons from disadvantaged groups.

Our insolvency service providers have sought to assist their employees with the cost-of-living crisis and/or have donated to the food bank to support the wider community. Our insolvency practitioners have also undertaken fundraising events to support their chosen charities.

**Section 15(5)(b)(ii) – General policy on consulting and engaging with those affected by AiB procurements**

Procurement seek feedback at the end of each tender moderation to assess what went well, what didn’t go well and where Tender Evaluation Panel members see potential for improvement in the next tender iteration. This enables requirement specific improvement.

Upon completion of each procurement the UIG will be sent an evaluation form requesting feedback on the procurement service provided throughout the procurement. This enables procurement service improvement.

An internal Procurement Satisfaction Survey was completed this reporting year. This highlighted areas for service improvement. These areas include training provision and communication. The procurement department intend to address these areas over the coming year and reissue a Procurement Satisfaction Survey to test the effectiveness of our service improvements.

Procurement will seek to request feedback from tenderers for all regulated tender exercises. Our intention is to embed a brief feedback questionnaire with each standstill letter.

**Section 15(5)(b)(iii) – General policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements**

The majority of AiB procurements are sourced via Scottish Government Frameworks. Each supplier’s commitment to Fair Work First practices (and therefore payment of the real Living Wage (rLW)) has often already been assessed at framework level.

The AiB regulated procurement strategy template includes a section for Fair Work First. Payment of the rLW is therefore considered for regulated procurements irrespective of whether the contract is a call-off.

Where Fair Work First requires further consideration, completion of the ‘Fair Work Commodity/Service Strategy Checklist’ is necessitated. This may result in a decision to include a Fair Work First question in the Technical Envelope. Where this has been deemed to be appropriate, this question will always be a scored question to ensure a good quality response.

With specific regard to payment of the rLW the AiB policy is to mandate payment of the rLW for all our contracts. This can be justified as below in accordance with SG guidance:

* Payment of the rLW is relevant to delivery of AiB contracts as AiB requirements often necessitate specialist knowledge and/or skill sets
* Mandating the rLW will not discriminate amongst potential bidders
* It is proportionate for AiB to mandate payment of the rLW
* Our contracts are delivered by workers based in the UK.

**Section 15(5)(d) – General policy on payments being made no later than 30 days after the invoice, (or similar claim)**

**relating to the payment, is presented (Section 15(5)(d) of the Act):**

**(i) payments due by the authority to a contractor**

**(ii) payments due by a contractor to a sub-contractor**

**(iii) payments due by a sub-contractor to a sub-contractor**

AiB aim to pay Service Providers within 10 working days from receipt of a valid invoice. 97% of invoices received during 2022/23 were paid within 10 days of receipt and 99% of invoices received during 2022/23 were paid within 30 days of receipt.

Our contract terms and conditions contain a clause which requires our contractors to pay sub-contractors with 30 days.

Complaints regarding payment performance can be escalated to the Contract Management Team for remediation. No complaints have been escalated in this reporting year.

# Annex 1: Regulated Contract Register

The below table shows regulated procurements undertaken for the 2022-23 financial year.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **AiB Reference** | **Date of Award in PCS** | **Service Provider / Supplier Name** | **Subject Matter** | **Procurement Route** | **Estimated Value** | **Start Date** | **End Date** |
| AiB2021/7 | 13.06.22 | Dunedin Advisory Ltd & Wiley Bisset | Insolvency Practitioners | Open Competition | £4,927,00.00 | 01.07.22 | 30.06.24 |
| AiB2022/2 | 21.07.23 | Royal Bank of Scotland | Banking Services | Call-Off (SG SP0210037) | £200,000.00 | 01.08.22 | 31.07.26 |
|  |  |  |  |  |  |  |  |

# Annex 2: Non-Regulated Contract Register

The below table shows non-regulated procurements for the 2022-23 financial year.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **AiB Reference** | **Date of Award in PCS** | **Service Provider / Supplier Name** | **Subject Matter** | **Procurement Route** | **Estimated Value** | **Start Date** | **End Date** |
| AiB2023/2 | 18.04.23 | The Gate Worldwide | Interim AiB Website Hosting and Support | Direct Award using SG Framework (SP-21-027) | £10,185.00 | 31.03.23 | 31.01.24 |
| AiB2022/5 | N/A | Fidus | Penetration Testing | Request for Quote | £18,900.00 | 03.04.23 | 27.04.24 |
| AiB2021/9 | 21.12.21 | Barrier Networks | Cyber Security Certificates | Request for Quote | £16,200.00 | 10.01.22 | 31.07.24 |
|  |  |  |  |  |  |  |  |

# Annex 3: Non-Competitive Actions (NCA’s)

There were no NCAs undertaken for the 2022-23 financial year.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **AiB Reference** | **Date of Award in PCS** | **Service Provider / Supplier Name** | **Subject Matter** | **Justification for Non-Competitive Action** | **Estimated Value** | **Start Date** | **End Date** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

# Annex 4: Upcoming Regulated Procurements

The below table shows the upcoming regulated procurements anticipated within the next two financial years.

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Subject Matter** | **Anticipated Tender Release**  |
| 2023/24 | Credit Reference Checking | April 2023 |
| 2023/24 | Postal Services | September 2023 |
| 2023/24 | Legal Services | November 2023 |
| 2023/24 | Sheriff Officers | October 2023 |
| 2024/25 | Chartered Surveyors | May 2024 |

1. Under the Procurement Reform (Scotland) Act 2014 a procurement is considered regulated if it is a public contract with an estimated contract value of £50,000.00 (exc. VAT) or more for goods and services or £2,000,000.00 (exc. VAT) or more public works. [↑](#footnote-ref-1)
2. A regulated procurement is considered complete upon publication of the Contract Award Notice or when it otherwise comes to an end as per the Procurement Reform (Scotland) Act 2014. [↑](#footnote-ref-2)