



Accountant in Bankruptcy (AiB) Procurement Report 2018-2019



Document control

Date/Version	01/08/2019 v1.0
Author	Laura Robertson, AiB Head of Procurement
Contact Details	Accountant in Bankruptcy (AiB) 1 Pennyburn Road Kilwinning KA13 6SA 0300 200 2837 laura.robertson@aib.gov.uk



Contents

Terms	4
1. About AiB	6
2. AIB Procurement Vision	7
3. Summary of Regulated Procurement	8
4. Review of Regulated Procurement Compliance	10
5. Community Benefit Summary	13
6. Supported Businesses Summary	15
7. Future Regulated Procurements Summary	15

Terms

Term	Description
AiB	Accountant in Bankruptcy. An agency of the Scottish Government
ASTRA	AiB Supervision of Trust Deeds, Registration & Advertisement System. An online case management system.
BASYS	Bankruptcy Administration System. An online case management system.
CARR	Contract Award Recommendation Report. A report providing information on the procurement and evaluation process in advance of a contract award being made.
CIPS	Chartered Institute of Purchasing and Supply
DAS	The Debt Arrangement Scheme. A debt relief product.
DASH	Debt Arrangement Scheme Hub. An online case management system.
DAS Register	Debt Arrangement Scheme Register. A publicly accessible register of DAS cases.
DPA	Delegated Purchasing Authority delegated to staff by The Accountant
Easebuy	Purchasing system
ESPD	European Single Procurement Document
Maverick spend	Off contract spend
MEAT	Most Economically Advantageous Tender. Taking into account qualitative, technical, sustainable aspects as well as price.
MIDAS	Multifunctional Insolvency Database Administration System Viewer. A view only version of a case management system.
NCA	Non-competitive Action
PCIP	The Procurement and Commercial Improvement Programme
ROI	Register of Insolvencies. A publicly accessible register of bankruptcy cases.
SME	Small Medium Enterprise. Micro, small and medium sized enterprises which employ less than 250 employees
Supported Businesses	A supported business's primary aim is the social and professional integration of disabled or disadvantaged persons. Supported Businesses must have at least 30% of staff that are disabled or otherwise disadvantaged.



The Accountant in Bankruptcy (The Accountant)	Agency Chief Executive and Accountable Officer. Trustee of AiB bankruptcy cases.
---	--



1. About AiB

Accountant in Bankruptcy (AiB) is an Executive Agency of the Scottish Government 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. It is responsible for the determination of personal and entity bankruptcy applications, making decisions on debt payment programme applications 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.

Our mission is:

“To provide access to fair debt relief and debt management processes for the people of Scotland, taking account of the rights and interests of those involved.”

Further information on the Agency can be found on our website: www.aib.gov.uk

Good procurement practice has been embedded in AiB and it continues to develop. AiB's Senior Management Team (SMT) are committed to integrating procurement appropriately into the decision-making process of the organisation. The AiB procurement strategy for 2018-2019 detailed AiB's commitment to achieve best value through our procurement activity.

The 2018-2019 strategy document and the revised procurement strategy for 2019/2020 can be found here:

<https://www.aib.gov.uk/guidance/publications/corporate/procurement-strategy>



2. AIB Procurement Vision

AiB is committed to achieving best value through our procurement activity and taking appropriate action to ensure that service costs are reduced where possible, whilst standards of service are continuously improved. The procurement strategy for 2018-2019 complemented our corporate plan and aimed to demonstrate how we would ensure that our contracts were effectively managed, making positive contributions towards securing continuous improvement in our performance, and delivering best value for the public purse.

The importance of the procurement function is acknowledged by AiB and in 2016 a Procurement and Contracts team was established joining together the existing Procurement function and contract management staff from other areas of the Agency. The creation of this team helped to ensure that contracts were awarded correctly and managed appropriately, allowing AiB to achieve value for money and carry out its functions effectively throughout 2016 and in to 2018. Following a restructuring of the AIB Corporate Services branch and the resulting business process review in early 2018, the Procurement and Contract management elements of the team were once again split into separate entities. The successes of the team were acknowledged however it had become clear that the procurement function was more naturally affiliated with Finance and the Contract management team once again moved back to the AiB Case Operations branch. Despite the restructuring the Procurement and Contract Management functions have maintained the close working relationships that were built and both have continued to contribute to the successful management of each AiB contract during 2018/2019.

AiB continue to use a number of Scottish Government (SG) frameworks for the provision of services but also operate a number of AiB owned contracts. These include specialist services required for operational delivery as well as agreements with local Suppliers.

The Procurement function within AiB consists of a Head of Procurement (B3), a Procurement Officer (B1) and Procurement Administrator (A3). These Procurement staff are located within the larger Finance team and have strong links to SG Central Procurement colleagues. The Procurement team has responsibility for all procurement tasks and has a close working relationship with the AiB Contract Management team who have responsibility for managing most AiB contracts.

In addition to various procurement processes throughout 2018-2019 the Procurement function:

- Actively participated in business planning processes;

- Reviewed procurement and contract management skills within the team and arranged ongoing Chartered Institute of Procurement and Supply (CIPS) training for staff;
- Worked with various staff throughout the Agency to ensure that contracts were used as anticipated and that correct purchasing processes were followed;
- Analysed and reported on/off contract spend levels to the AiB Audit committee;
- Participated in various events throughout the wider SG Procurement network, such as Capability events and Head of Procurement events;
- Worked with SG Procurement staff to develop a specification for the new SG Facilities Management contract;
- Took part in the initial evaluation stages for the new SG FM contract;
- Took on full responsibility for the end to end Easebuy process

3. Summary of Regulated Procurement

During the reporting period 1 April 2018 – 31 March 2019 AiB awarded the following regulated contract:

- Banking Contract

The Banking contract is a call-off from the SG Banking Services collaborative framework.

The following regulated procurement exercise also commenced during the reporting period, and was awarded shortly after:

- AiB IT Development

This contract is a call-off from the SG Digital and Technology Services (DATS) collaborative framework.

During the reporting period AiB also awarded the following unregulated contracts:

- Cyber Essentials
- Cabling and Installation of Wireless Access points
- Minimal Asset Process (MAP) research
- Credit Checking
- IT Software (Nessus & iSpring)

The Cyber Essentials, Cabling and Installation of Wireless Access points, MAP research and Credit Checking procurement exercises were conducted as mini



competitions via Public Contracts Scotland (PCS). The IT software was procured using the Software Value Added Reseller SG collaborative framework.

Banking Contract

Date of Award	28 March 2019
Names of Suppliers	Royal Bank of Scotland (RBS) plc
Subject Matter	Banking Services and Roybank
Estimated Value of Contract	£200,000
Start Date	1 August 2018*
End date	31 July 2022, 1 x 12 month extension period

The previous AiB Banking contract with RBS was due to end 31 July 2018. This contract was a call off from the previous SG collaborative Banking Services framework. AiB continued to have a requirement for general banking services in addition to requiring Roybank software to manage a large number of virtual accounts. A new contract was awarded to RBS using the new SG collaborative Banking Services framework. As this framework is a single Supplier the contract was awarded under a direct award process.

** The service was provided by RBS from 1 August 2018 continuing on from the previous contract with RBS, however the contract document wasn't signed until March 2019 due to required negotiation surrounding the use and cost of Roybank.*

AiB IT Development

Date of Award	10 May 2019
Names of Suppliers	Leidos Innovations
Subject Matter	IT development
Estimated Value of Contract	£900,000
Start Date	1 June 2019
End date	30 June 2020, 1 x 9 month extension period

AiB operate 3 individual case management systems to manage the range of debt relief products. The AiB Bankruptcy Administration System (BASYS) was launched in 2015 to manage bankruptcy cases. The system is an online portal accessible by AiB staff and external stakeholders. The ASTRA system is used by trustees and AiB staff to administer Trust Deeds and the new eDen system is used to administer Debt Arrangement Scheme (DAS) cases. Each of the contracts to develop these systems had ended/was due to end and additional required development was identified.



Each of these systems were originally developed by Leidos Innovations UK and each of the systems are supported by Leidos Innovation UK under the AiB IT Support and Minor Development Contract. Options were investigated at the strategy stage and due to the nature and background of the requirement a decision was made to call-off from the DATS framework and make a direct award to Leidos Innovation UK. A business case was drafted for Senior Management approval before an order form and full specification was issued to the Supplier. The tender response was evaluated by technical experts before a contract was awarded.

4. Review of Regulated Procurement Compliance

In the 2018-2019 Procurement Strategy we stated that we would adhere to the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 and would follow the Procurement journey guidance in all Procurement exercises. We also stated that to ensure transparent, fair and open competition AiB would use Public Contracts Scotland (PCS) and electronic communication throughout all tender processes.

For all Procurement activity during 2018-2019 AiB adhered to the relevant Procurement regulations. We ensured that PCS was used for all regulated procurements and also lower value invitations to quote. We ensured the integrity of each procurement exercise by:

- Making the AiB PCS account accessible to AiB procurement staff only;
- Asking all evaluation panel members to sign a declaration of impartiality form before evaluating tender responses;
- Removing all pricing information before issuing tender responses to evaluation panel members.
- Storing all procurement exercise documentation in secure eRdm files that are only accessible by procurement staff.
- Keeping written records on the procurement process, evaluation process, moderation process and issuing Contract Award Recommendation Reports (CARRs) and/or SMT reports before awarding contracts.

PCIP Assessment & Action Plan

AiB were awarded a gold status in the 2016 PCIP Lite assessment, and are currently preparing for the 2019 assessment. As a result of the last assessment we drafted and implemented a PCIP Action plan covering the following:

- Reporting procurement progress to SMT;

- Reporting contract spend to Audit committee;
- Updating procurement plans;
- Updating competency frameworks on an annual basis;
- Holding lessons learned sessions for all major procurement exercises;
- Reviewing Delegated Purchasing Authority (DPA) processes and updating Delegated Purchasing Officer (DPO) details when required;
- Keeping updated on procurement fraud training;
- Investigating options for collaboration with other organisations;
- Continued removal of all pricing information from tenders before evaluation;
- Facilitating involvement of SMEs, third sector bodies and Supported Businesses;
- Consideration to moving all contract management to the AiB Contracts team

Throughout the reporting period the procurement function have monitored progress against all actions detailed in the action plan. All points have been addressed apart from moving the management of all contracts to the Contracts team. Senior Management have confirmed that IT contracts will continue to be managed by the Efficiencies and Technology team for the foreseeable future. We previously undertook a lessons learned process on the Insolvency Services procurement process and overall project in partnership with the Efficiencies and Technology team. The conclusions gathered from this process have helped to shape future procurement exercises.

Purchasing processes

AiB have robust purchasing processes in place that help to ensure contracts are used as expected and “maverick spend” is kept to a minimum. As an agency of the Scottish Government our Chief Executive has the authority to purchase and let contracts and delegates this purchasing authority to individuals throughout AiB. Delegated Purchasing Authority (DPA) has been given to various staff within the Procurement and Contracts Team, Case Management Team, and Finance Team. Each of these staff have different purchasing limits based on their grade and job role. This authority is different from Financial Authority which has been delegated to different individuals throughout the Agency. No single person has both DPA and Financial Authority to ensure separation of duties throughout the purchasing process. The Procurement team have devised a training pack for members of staff with delegated purchasing authority. This training is refreshed on an annual basis and must be completed before a DPA letter is issued by the Chief Executive. Staff with DPA have the authority to purchase ad hoc items not already covered by a contract, while Procurement staff have the authority to run procurement exercises on behalf of AiB.

AiB have an online purchasing requisition system. All non-case related purchases must be added to this system for approval by a budget holder with Financial Authority, before the request is added to our Easebuy system. This process ensures that all



purchases are approved at two stages and the order is electronically sent to the Supplier. This system is used for a variety of commodities ranging from catering to training. Since the end to end process for Easebuy transactions has moved to the team a number of possible efficiencies have been identified and improvements to the process are being investigated by the team.

AiB also promote prompt payment throughout each of our contracts and have a 10 day payment target for all invoices received. During 2018 - 2019 AiB paid approximately 95% of invoices within the 10 day target. This is a slight drop from the previous year, however this only relates to 28 invoices and can be attributed to the transition period when the Easebuy process moved from the Executive House Support Team to the Procurement and Finance team. It should be noted that most invoices were paid within the 30 day payment terms included in the standard contract T&Cs, with only 3 missing the target.

Procurement Spend

The procurement function reports on/off contract spend to the Audit Committee and AiB consistently maintains a 96-98% on contract spend level each year. This demonstrates that the contracts we have in place are being used as expected and that staff are following the correct ordering procedures. The level of on and off contract spend for financial year 2018/2019 is detailed below:

	Total Spend	On contract	Off Contract	% On contract
2018/2019	£6,384,769.80	£6,254,216.13	£130,553.67	97.96%

Stakeholder Engagement and Contract Management

The Agency places high importance on Stakeholder engagement. Each year AiB hold a number of stakeholder events across Scotland. These events involve stakeholders from all our major contracts. In addition to this our Contracts team have close working relationships with Suppliers. Our Contract Managers meet Suppliers on a monthly and quarterly basis and hold annual continuous improvement events.

AiB has well established contract management processes in place. Each of the contracts managed by the team have a dedicated Contract Manager in place. Annual audits are undertaken on our Insolvency Services and Legal Service contracts, where cases are selected and reviewed in partnership with our Suppliers. Regular meetings



are held with Suppliers to discuss any issues and dashboard reports giving a full status report on each contract are provided to SMT. Since the start of the first Insolvency framework in 2009 AiB have had an Operating Manual in place that provides full guidance on the expected contract processes and service levels. The Operating Manual is updated as and when required for each contract. AiB also have bulk invoicing processes in place for the following contracts:

- Chartered Surveyor Contract
- Sheriff Officer Contract
- Facilities Management/Handyman Contract
- Credit Checking Contract
- Property Search Contract
- Legal Services Contract

Invoices are received in a bulk format for each contract. These invoices are checked and approved within the Procurement function before passing to our Finance colleagues for payment. Management Information (MI) is also gathered from these bulk invoices and used to better inform the contract management process.

As stated in the 2018-2019 strategy document AiB supports the payment of the living wage where possible. AiB, itself, is an accredited living wage employer. Even though the payment of the living wage is not currently mandatory for AiB contracts although some of our Suppliers do in fact pay the living wage.

5. Community Benefit Summary

In the AiB 2018-2019 procurement strategy we stated that we would consider community benefits and sustainability issues in all appropriate contracts. None of our procurements were over the £4 million threshold where community benefits must be considered, however some benefits can be demonstrated at a framework level for the banking contract and for our other contracts awarded pre 2018-2019:

Banking Services:

The Supplier is committed to developing Apprentices through Apprenticeship Programmes for people aged 16 or over, and will support local recruitment and training initiatives where there is a requirement. The Supplier also supports major emergency and crisis appeals.

The Supplier commits to a variety of Fair Work practices including being a living wage employer, providing learning opportunities, they advocate flexible working and do not use zero hour contracts.

Insolvency Services:

Community Benefits and other Sustainability issues were considered during the development of the procurement exercise strategy. The decision was made to split the Framework into three regional lots making the opportunity more accessible to SMEs as tenderers were able to bid for 1, 2 or all 3 of the regional lots.

Two Scotland based Suppliers were appointed to the Insolvency Services Framework – Wylie & Bisset LLP and Dunedin Advisory Ltd (previously known as Insolvency Support Services). Both of these Suppliers are SMEs. At strategy development stage a community benefits clause was considered but ultimately was not included with the Invitation to Tender documentation, as it was not considered to be relative or proportionate to the nature of the service to be provided. However, the technical question set did include a scored question on workforce benefits and non-scoring questions on the living wage, and corporate social responsibility. While there were no community benefits directly offered or achieved that can be described as arising as a result of this contract award, the successful Suppliers demonstrated a wide variety of initiatives and policies in their responses to these questions, such as:

- One of the Suppliers is a living wage accredited employer;
- Flexible working hours;
- Childcare voucher schemes;
- Professional training & qualification programmes;
- Modern apprentice and youth employment work placements;
- Providing interview technique training for unemployed youths;
- Cycle to work initiatives;
- Fundraising for national and local community charities and projects

Regular review meetings and contract audits take place for the Insolvency Services framework and these policies and initiatives are discussed with Contract Managers.

IT Contracts

AiB currently have three contracts in place with Leidos Innovations UK awarded under the SG collaborative Digital and Technology Services framework, with one of them being awarded in 2019. Suppliers were asked within the framework tender to provide details of any quantifiable wider community benefits they would bring at a framework level. Various policies were detailed such as:

- Paying the living wage;
- No zero hours contracts;
- Collaborating with local universities;



- Working with local charities

In addition to the benefits demonstrated as part of the overall Framework, Leidos Innovations UK have provided information specific to the AiB contracts:

- Modern apprentices are currently working across the AiB projects, and will have the opportunity to attend university under the Graduate apprentice scheme;
- Graduate Developers are currently working on the AiB contracts;
- They work closely with British Sign Language Interpreters to ensure full support for members of staff who are profoundly deaf. As a result a number of staff are now proficient in sign language.

6. Supported Businesses Summary

During the financial year 2018/2019 AiB have placed orders with Haven for new office signage including signs for doors, external walls, reception area and a new front door address sign. In previous years AiB have used Supported Businesses for new desks, chairs, and braille translation. Procurement staff are aware of the wider benefits of using Supported Businesses wherever possible and continue to promote these throughout the office, particularly with Facilities Management (FM) staff.

We are currently working on sourcing new conference room furniture during 2019/2020 and Supported Businesses are being considered for this requirement.

7. Future Regulated Procurements Summary

The following regulated contracts will be considered during the period ending 31 March 2021:

- Facilities Management and Handyman Services
- Sheriff Officer Services
- Multi-Functional Devices (MFDs)
- Legal Services
- Chartered Surveyor Services
- Insolvency Services
- Postal Services
- IT Support & Minor Development
- IT Development

Facilities Management & Handyman Services

AiB currently have a contract in place with MITIE for facilities management and handyman services. This contract was awarded on behalf of a number of SG organisations including AiB. The contract ends on 30 September 2019, however there has been agreement to extend with the Supplier if required. A new procurement process is currently underway on behalf of the SG and AiB will use this new contract when it is awarded. AiB Procurement staff have been involved in drafting the specification and have also been involved in the evaluation process for the new contract.

Subject Matter	Facilities Management Services
New, extended or re-let	Re-let
Expected notice date	January 2019
Expected Award date	September 2019
Expected start date	1 October 2019
Estimated Value	£400 million (entire contract for possible 10 years – 7 years plus 3 x 12 month extensions available) Approx. £1.5 million for AiB element of contract

Sheriff Officer Services

AiB currently use the Sheriff Officer Services framework awarded by SAAS. The extension period for this contract ends on 21 February 2020. A procurement process for a new contract has already commenced. AiB are leading this exercise collaborating with SAAS, Revenue Scotland and Social Security.

Subject Matter	Sheriff Officer Services
New, extended or re-let	Re-let
Expected notice date	September 2019
Expected Award date	December 2019
Expected start date	22 February 2020
Estimated Value	£550k

MFD Contract

AiB currently have a contract in place with Capital Document Solutions for printing services. The current fleet of MFDs are owned by AiB but a 'per click' pricing contract is in place that covers all printing, toner and maintenance. AiB have a requirement to replace the current MFDs and agree a new 'per click' service. AiB plan to procure the contract using the SG collaborative framework for Office Equipment.

Subject Matter	MFDs
New, extended or re-let	Re-let
Expected notice date	October 2019
Expected Award date	December 2019
Expected start date	February 2020
Estimated Value	£55k

Legal Services

AiB currently have a contract in place with Harper MacLeod for legal services. This contract is a call-off from the SG Legal Services collaborative framework. The contract is due to end on the 31 March 2020 and there are no extension periods available. The SG framework is currently being retendered. Once the new framework is in place AiB will conduct a mini competition procurement process and award a new call off contract.

Subject Matter	Legal Services
New, extended or re-let	Re-let
Expected notice date	October 2019
Expected Award date	February 2019
Expected start date	1 April 2020
Estimated Value	£1.5 million



Chartered Surveyor Services

AiB have a contract in place with J&E Shepherd for Chartered Surveyor Services in relation to the properties that vest in The Accountant as Trustee. The final extension period for this contract will end in November 2020, with a procurement exercise due to commence by February 2020.

Subject Matter	Chartered Surveyor Services
New, extended or re-let	Re-let
Expected notice date	May 2020
Expected Award date	September 2020
Expected start date	1 December 2020
Estimated Value	£300k

Insolvency Services

The AiB Insolvency Services Framework has an initial end date of 30 June 2019, with 2 x 12 month extension periods available. Both of these extension periods have already been agreed with the Suppliers. Due to the complexity and value of the Framework a project to retender will commence in late 2019.

Subject Matter	Insolvency Services
New, extended or re-let	Relet
Expected notice date	tbc
Expected Award date	tbc
Expected start date	1 July 2021

Postal Services

AiB currently have a contract with Royal Mail for mail services. This is a call-off contract from the SG collaborative Postal Services framework. The contract ends on 30 September 2020. We are awaiting an update from SG Procurement on a new Framework.

Subject Matter	Postal services
New, extended or re-let	Re-let
Expected notice date	tbc
Expected Award date	tbc
Expected start date	1/10/2020

IT Support & Minor Development

AiB have a contract with Leidos Innovations UK for IT Support & Minor Development. This contract is a call-off from the SG Digital and Technology Services (DATS) Framework. The initial period of this contract is due to end on the 31 March 2020 and there is a 12 month extension period available. It is expected that the extension period will be used. A new support contract will then be required.

Subject Matter	IT Support Services
New, extended or re-let	Extension
Expected notice date	n/a
Expected Award date	n/a
Expected start date	31 March 2020 (extension)

IT Development

The Efficiencies & Technology team have indicated that there is likely to be a requirement for further IT system development during the period 2020/2021. Procurement options will be investigated in due course.

Subject Matter	IT System Development
New, extended or re-let	New
Expected notice date	tbc
Expected Award date	tbc
Expected start date	tbc