

SCOTTISH CANALS
ANNUAL PROCUREMENT REPORT
2017 / 2018

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Introduction

Scottish Canals, the operating name of the British Waterways Board, became a standalone public body in Scotland in July 2012. The British Waterways Board was established by the Transport Act 1962 and is responsible to Scottish Ministers. It is sponsored through Transport Scotland, an agency of the Scottish Government, and receives Grant-In-Aid funding from the Scottish Government in order to make a valuable contribution to the delivery of Scottish Government's strategic objectives as set out in the National Performance Framework.

Scottish Canals has a clear vision of 'Safeguarding our heritage, building our future'. This is supported by the strategic themes – increasing financial sustainability, growing public value and empowering and motivating people - within its Corporate Plan and fundamentally underpins its aims and objectives which are articulated in its annual business plans. This includes the key aim of generating income that can be reinvested back into the canal network to protect the important industrial heritage entrusted to its care.

Scottish Canals operates and manages the five canals in Scotland: the Forth & Clyde, Union and Monkland Canals in the Lowlands, the Crinan Canal in Argyll, and the Caledonian Canal in the Highlands. Certain stretches and elements of the canals are classed as Scheduled Ancient Monuments. The Caledonian and Crinan Canals are classified as commercial waterways and the Forth & Clyde and Union Canals are classified as cruising waterways. The Monkland canal is a remainder canal. Scottish Canals stimulates economic regeneration and drives tourism activity in key locations across the canal network of Scotland to deliver public value and build its financial sustainability, through working with a range of partners across the public, private and third sectors, collectively raising awareness of the contribution that the inland waterways make to Scotland's economic, social and environmental prosperity.

The [Scottish Canals Procurement Strategy](#), as required by the Procurement Reform (Scotland) Act 2014 (the Act), was published in September 2016 and promotes the use of the Procurement Journey as well as best practice, including collaborative procurement opportunities and the use of electronic purchase to pay methods. This Annual Report reports compliance with this Strategy and the Act.

Summary of Regulated Procurement

The Procurement Reform (Scotland) Act 2014 (the Act) introduced an additional level of spend called Regulated Procurement. Regulated Procurement is defined by the Act as Supplies and Services where the total contract value is greater than fifty thousand pounds (£50,000), and a construction works project greater than two million pounds (£2,000,000).

Public Contracts Scotland (PCS) is the Scottish Government portal where Contract Notices for Regulated Procurement activity is published. When a Contract Award Notice is published on PCS, an entry is automatically created on the [Scottish Canals Contract Register](#).

Scottish Canals has 56 live regulated contracts in place currently.

Of the 56 live regulated contracts, 36 are call-offs from national contracts or frameworks and 20 are bespoke contracts let by Scottish Canals.

A total of ten of these contracts were let in the period from 01/04/2017 to 31/03/2018 covered by this report.

The contracts let in this period are shown below.

Table 1: Regulated Procurement Activity from 01/04/2017 > 31/03/2018

Contract Description	Start Date	Estimated Total Spend	Suppliers	Commodity	Procurement Route
Occupational Health	01/04/17	£75,000	Working on Wellbeing Limited T/A Optima Health	Services	SG Contract
Insurance Cover Provision	01/04/17	£540,000	AIG, RSA, Travelers, Inspection Network	Services	Tender
Ratings Review and Appeals	01/04/17	£50,000	James Barr/GVA	Services	Tender
Diving Services	01/11/17	£100,000	North West Marine Limited, Shearwater Marine Services	Services	Tender
Planned and Reactive Property Maintenance	01/11/17	£1,000,000	Servest Arthur Mckay	Services / Works	Tender
Light Catering Equipment	07/11/17	£50,000	Bunzl	Goods	ESPO Contract
Legal Services Framework	01/12/17	£250,000	Anderson Strathern, Brodies, DLA Piper, DWF Biggart Baillie, Harper Macleod, MacRoberts, Morton Fraser, Thorntons Law, Weightmans	Services	SG Contract
Fixed Line Telephony	01/12/17	£120,000	Daisy Communications Limited	Services	SG Contract
Earth Structures Inspections	11/12/17	£52,000	Mott MacDonald Ltd	Services	Tender
Mobile Voice and Data calls	08/03/18	£120,000	EE	Services	SG Contract

Review of Regulated Procurement

The contracts shown in Table 1 were compliant with the Scottish Canals Procurement Strategy. In particular, the Property Maintenance and Diving Services contracts delivered both cost and efficiency savings for the organisation. These savings were delivered through keen prices and a better-defined scope of requirements to delivering improvements in contract delivery.

Summary of Community Benefits and Supported Businesses

Community Benefits

As per the Procurement Reform (Scotland) Act, if the estimated value of this contract is equal to or greater than £4M the contracting authority must consider whether to impose community benefit requirements as part of the procurement.

While the majority of Scottish Canals regulated procurement activity falls below the value mentioned above, Community Benefits are considered as part of the contract strategy process and included where appropriate.

Community Benefits have been delivered through a number of existing contracts. The benefits have included resource and materials for volunteers to use in litter picking, graffiti removal, and presentation of the canal network. Construction works being carried out in Fort Augustus have provided an opportunity for community engagement with local schools through community events and site visits.

Supported Business

The Scottish Government are committed to promoting the use of Supported Businesses where possible through spend in the Public Sector. More information including the definition of a Supported Business can be found on the Scottish Government website link shown below. <http://www.gov.scot/Topics/Government/Procurement/buyer-information/SuppBus>

Through the Scottish Government Supported Business Framework Contract, Scottish Canals has procured a number of items needed for projects on the canal network.

In the period covered by this report, Scottish Canals spent £34,000 through the supported Business Framework.

The spend included the remaining signage for the Falkirk Canal Corridor from Haven Signs to the value of £24,000, and furniture purchases from Dovetail to the value of £10,000.

Summary of Regulated Procurement Expected

In the period to 31st March 2020, it is anticipated that Scottish Canals will carry out a number of additional regulated procurement exercises.

Table 2 shows the details of this procurement activity. The nature of the procurement route to market will be driven by the key elements of the contract scope, the available procurement resource, as well as the existence of suitable collaborative procurement opportunities.

Table 2: Anticipated Regulated Procurement

Contract Description	Current Procurement Route
Gas Supplies	Scottish Government Contract
Electricity Supplies	Scottish Government Contract
Construction Works Contract	Scottish Canals Tender
Vegetation Management	Scottish Canals Tender
Banking Services	Scottish Government Contract
Cleaning Services	Scottish Canals Tender
Security Provision	Scottish Canals Tender
Architect & Design Services	Scottish Canals Tender
General Stationery and Office Paper Framework	Scottish Government Contract
Legal Services Framework	Scottish Government Contract
Volunteer Provision and Management	Scottish Canals Tender
Insurance Policies	Scottish Canals Tender