



**Scottish
Water**

Trusted to serve Scotland

SCOTTISH WATER

PROCUREMENT & SUPPLY CHAIN STRATEGY

2021-2022

“Through digitally enabled supply chain integration, we collaborate to create an efficient, sustainable and agile supply chain that delivers great value for Scottish Water and our customers, supporting a flourishing Scotland.”

Foreword

Over the last 12 months Scottish Water has seen the emergence of significant risks within the supply chain, particularly in relation to Brexit and COVID-19. Scottish Water has worked with our supply chain to manage and mitigate these risks effectively. From a pandemic perspective, this has ranged from closing down construction sites and remobilising them safely with appropriate health and safety measures, aligning to Government advice and ensuring Scottish Water staff, its Supply Chain and Customers were safe, whilst ensuring supply chain resilience through moving to accelerated payment terms. From a Brexit perspective we have engaged closely with our supply chain to manage the risk of transition to ensure availability of supply and managing impacts as required.



Scottish Water has a crucial purpose – to support a flourishing Scotland through being trusted to care for the water on which Scotland depends. We are proud to provide water and wastewater services that are essential to everyday life for households and businesses across Scotland. We make a critical contribution to Scotland’s health, well-being and prosperity, the sustainability of our natural environment, and our country’s long-term economic success.

Our Strategic Plan – A Sustainable Future Together – sets out our future strategy and we have set out our ambitions to go beyond net zero emissions, deliver service excellence and provide great value and financial stability. We’re facing some huge challenges and making some big commitments. Getting this done requires a transformation of Scottish Water but we cannot do this alone, we need our supply chain partners to come on this transformation journey with us.

Scottish Water spends around £775m a year buying goods, services and works. This means that our Procurement and Integrated Supply Chain Management activity has the potential to deliver significant benefit and value-for-money improvements for our customers and help achieve our ambitions.

Increasingly, buyers are working creatively to deliver broader ethical, environmental and economic benefits by making sure sustainability is firmly established in their work. Unlocking these potential benefits from procurement can help us foster jobs and growth, encourage innovation, and boost training and apprenticeship opportunities. Good procurement practice can and should play a key role in helping small and medium-sized enterprises (SMEs), third-sector organisations and supported businesses compete effectively for contracts.

Our procurement procedures were described as world-class by the Chartered Institute of Procurement and Supply (CIPS), who awarded us with platinum accreditation status in January 2015 and re-accredited in July 2018, with plans to go through re-accreditation in 2021. Scottish Water continually demonstrates how an effectively managed, CIPS Platinum accredited professional procurement service, with responsibility across all spend categories, can achieve value for money across these categories and provide substantial savings.

This strategy document sets out how we will use Procurement and Integrated Supply Chain Management to support our commitment to increasing sustainable economic growth, and to deliver significant benefits for the people and communities we serve. Throughout the life of this strategy we will review and improve upon it and benchmark where appropriate.

Joe Rowan

General Manager – Procurement & Supply Chain

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
1. Introduction	4
2. Procurement & Supply Chain in Scottish Water - Strategic Intent	5
2.1 Procurement & Supply Chain Governance	5
2.2 Scottish Water Purpose	7
2.3 Scottish Water Horizons	7
3. Procurement & Supply Chain business plan objectives for SR21	8
4. Spend data	10
4.1 Supply Chain Segmentation	10
5. Sourcing activity, Stakeholder engagement & Sustainable Procurement	11
5.1 Stakeholder engagement	11
5.2 Sourcing activity	12
5.3 Sustainable procurement duty	12
5.4 Safety, Health & well-being	12
5.5 Innovation	13
5.6 Community benefit	13
5.7 Reduced Emissions	13
5.8 Efficiency	13
5.9 Ethical Approach/Fair Work First	14
5.10 General Data Protection Regulations	14
5.11 Procurement Skills Accord	14
6. Integrated Supply Chain Management	15
6.1 Performance Management	16
6.2 Capacity management	17
6.3 Payment to suppliers	17
6.4 Project Bank Accounts	17
7. Strategy ownership & Contact details	18
List of Appendices	
1 – Annual procurement plan	19
2 – Community Benefits	21
3 – Forward Procurement Plan	22

1. Introduction

Scottish Water is a public sector body, classified as a corporation of a trading nature, and is answerable to the Scottish Parliament through Scottish Ministers. The Members of Scottish Water's Board are accountable to the Scottish Government and the Board currently includes 8 Non-executive Members.

Scottish Water provides vital water and wastewater services, essential to daily life, to 2.57 million households and just under 153 thousand business premises across Scotland. Every day we provide 1.53 billion litres of clear, fresh drinking water and take away 1.08 billion litres of wastewater, which we treat, recover resources from and return safely to the environment.

Our customer charges go towards maintaining and improving 30,343 miles of water pipes, 33,223 miles of sewer pipes, 237 water treatment works and 1,831 wastewater treatment works.

In 2020/21, we completed a 6-year programme with £3.9 billion investment in maintenance and further improvements to drinking water quality, protecting the environment and supporting the Scottish economy. Over the next 2 years we are planning to invest between £570 million to £650 million (with a mid-case of £610 million) and £610 million to £680 million (with a mid-case of £645million) in each of 2021-22 and 2022-23 respectively, an increase of over 25% on our average investment levels in the 2015-21 period. Over the next 2 years we are planning to invest between £570 million to £650 million (with a mid-case of £610 million) and £610 million to £680 million (with a mid-case of £645million) in each of 2021-22 and 2022-23 respectively, an increase of over 25% on our average investment levels in the 2015-21 period.

A substantial proportion of Scottish Water's resources are spent on goods, services and works procured externally from third parties. An effective and efficient procurement and integrated supply chain management process is critical to meeting our overall objectives.

Obtaining best value for money from procurement and integrated supply chain management ensures that we optimise our resources to achieve our aims. We must also ensure that our actions are fully compliant with legal requirements and ethical standards and promote a culture of accountability, transparency, sound governance and non-discrimination. We owe nothing less to citizens, taxpayers and those with whom we do business.

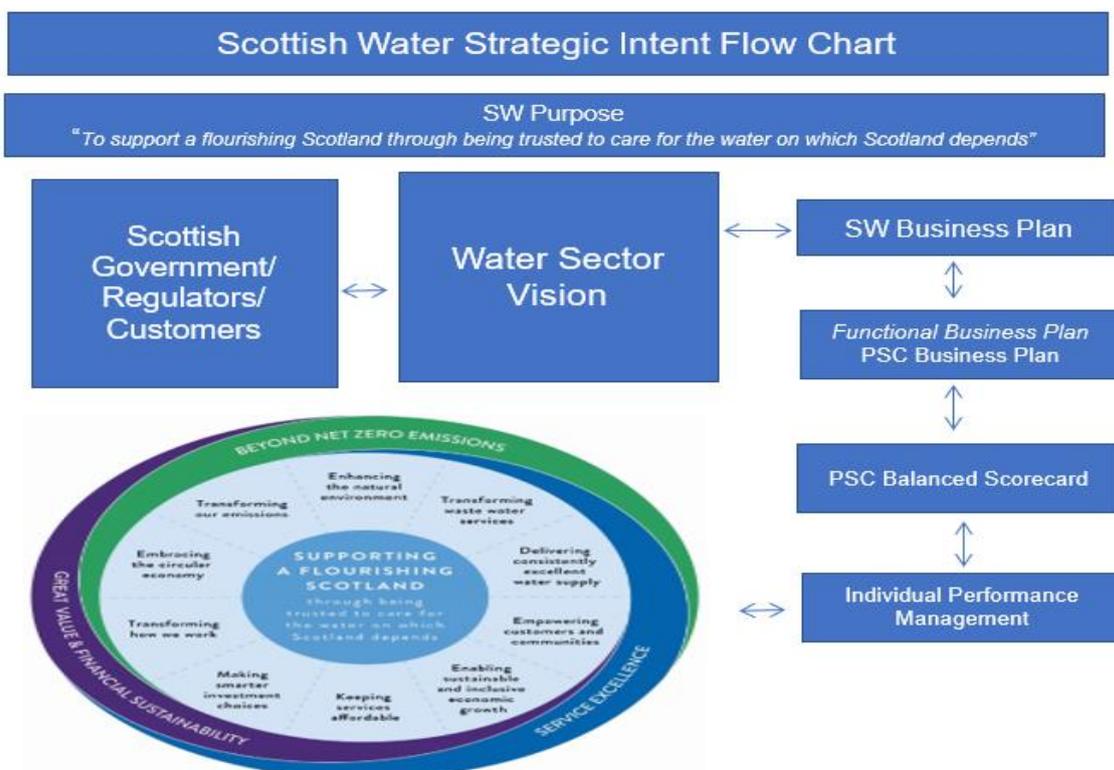
The Procurement & Supply Chain (PSC) team's mission is "Through digitally enabled supply chain integration, we collaborate to create an efficient, sustainable and agile supply chain that delivers great value for Scottish Water and our customers, supporting a flourishing Scotland."

This document sets out the Procurement Strategy for Scottish Water for FY2021/22 and will show how Procurement & Supply Chain in Scottish Water plays a fundamental role in supporting the delivery of Scottish Water's strategic objectives and the value it delivers in supporting Scottish Water's wider environmental, social and economic objectives.

2. Procurement & Supply Chain in Scottish Water - Strategic Intent

Figure 1 below shows Procurement & Supply Chain's Strategic Intent Flowchart showing clear line of sight between the Scottish Water Purpose and strategic objectives to the Procurement & Supply Chain team member's performance objectives. The current regulatory period is SR21 (2021-2027). This is then broken down into annual functional plans for each directorate. In Figure 1 the PSC Business Plan is then used to create an annual Balanced Scorecard for the team which then flows down into each individual's objectives, measured through the 'Aspire' performance review process.

Figure 1: Procurement & Supply Chain Strategic Intent Flowchart



2.1 Procurement & Supply Chain Governance

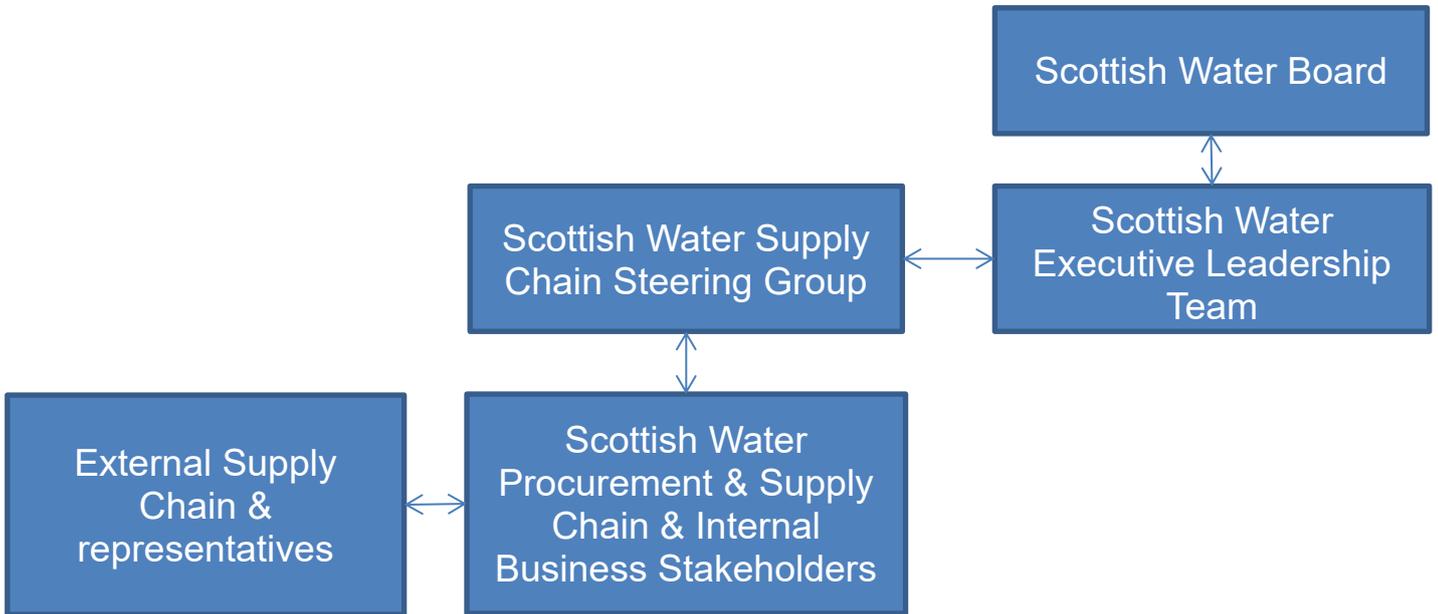
Approval of Procurement and Supply Chain strategies and awards of contracts and framework agreements (an agreement with suppliers to establish terms governing contracts that may be awarded) has strong governance structures in place.

Approval of all frameworks and contracts must receive the correct level of approval and sign-off in line with the Scottish Water Procurement Policy Manual and the Scottish Water Designated Level of Approval (DLA) structure.

Approval of all key Procurement and Supply Chain strategies and contract/framework award approvals above the accumulated value of £10m are reviewed and approved by the Supply Chain Steering Group (SCSG).

Figure 2 below details the governance structure in place for Procurement & Supply Chain.

Figure 2: Procurement & Supply Chain Governance



2.2 Scottish Water Purpose

Our purpose is supporting a flourishing Scotland through being trusted to care for the water on which Scotland depends. We will fulfil our purpose of supporting a flourishing Scotland by pursuing ten strategic objectives which will enable us to achieve our three strategic ambitions, all of which will ensure that we play our leading role in achieving Scotland's ambitious Water Sector Vision. Figure 3 below shows our three strategic ambitions: Service Excellent, Great Value and Financial Sustainability and Beyond Net Zero Emissions and the ten strategic objectives that will deliver these.

Figure 3: Scottish Water Strategic Ambitions and Objectives



2.3 Scottish Water Horizons

The activities of Scottish Water Horizons are aligned to support Scottish Water's core objectives, with particular emphasis on supporting its innovation agenda, carbon reduction targets and renewable energy ambitions. The main objectives of the business activities within Scottish Water Horizons are to harness the skills and expertise of our people and use innovative ideas, knowledge and Scottish Water assets to encourage economic growth across Scotland, develop the use of sustainable technologies and provide water and waste water consultancy to utilities and governments.

3. Procurement & Supply Chain business plan objectives for SR21

To support the Scottish Water Purpose and strategic objectives, the Procurement & Supply Chain team have an important role to play in providing a world class professional procurement service.

We have developed a business plan for SR21 with our mission being:

“Through digitally enabled supply chain integration, we collaborate to create an efficient, sustainable and agile supply chain that delivers great value for Scottish Water and our customers, supporting a flourishing Scotland”

The team will:

- Provide strategic guidance and leadership on all Procurement & Supply Chain matters.
- Ensure it continues to achieve value for money from its c£775m annual spend on goods, services and works.
- Ensure Scottish Water explores all opportunities to use its procurement activities to promote its wider objectives, including its ethical, economic and environmental objectives.
- Continue to ensure world class procurement processes and support their effective adoption across the business.
- Engage effectively with stakeholders, including budget holders, end users, alliance partners and suppliers.
- Support the development and growth of local SME's and supported business where appropriate.

We will support Scottish Waters 3 Strategic Ambitions through delivering improvements through 6 key goals 2023:

Table 1: Procurement and Supply Chain Key Goals 2021/2022

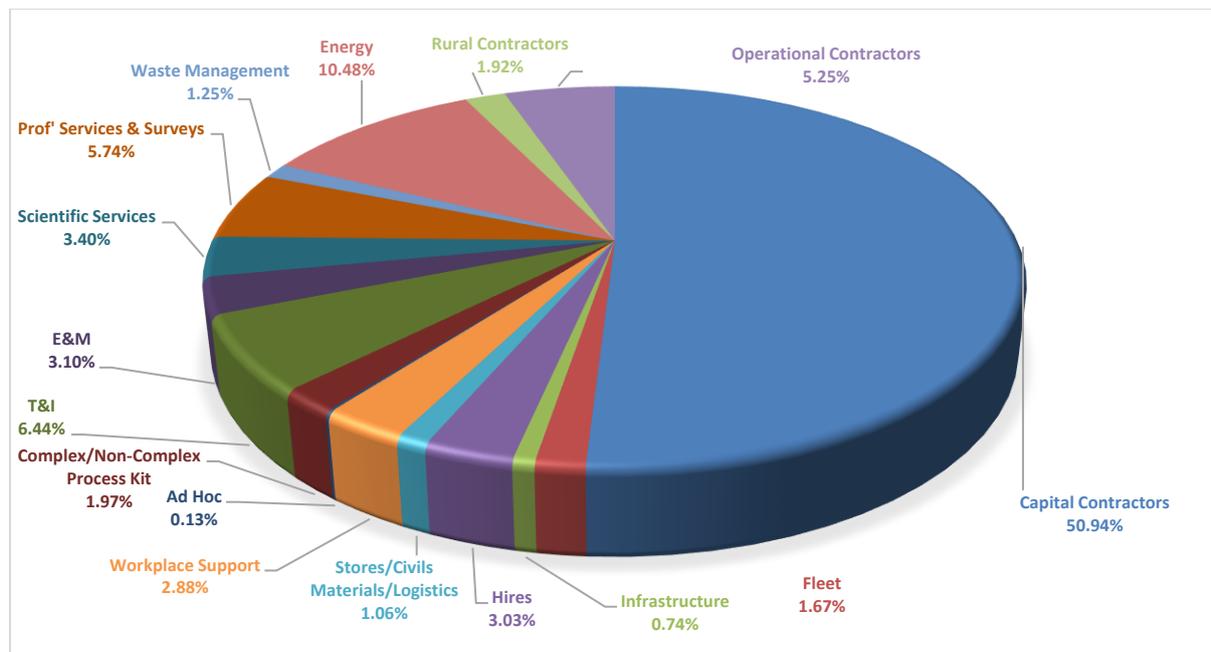
Strategic Ambition	Goal	Activities
Beyond Net Zero	Optimise the level of carbon in the supply chain	<i>Ensure appropriate parts of the Supply Chain will have a carbon management plans in place by 2023. Work to improve the understanding of embodied carbon & connect this to SW asset choices and develop plans for carbon reduction within the SC, aligned to Scottish Waters forward goals.</i>
Service Excellence	Support the supply chain to create wider social value	<i>Ensure and track levels of community benefit (MAs, Graduates; supported businesses). Support SME & Scottish based Suppliers with opportunities to work with SW. Explore opportunities to onshore supply chains.</i>
	Optimising B2B Relationships through the digital integration of SW & its supply chain	<i>Develop and implement e-marketplace, e-portal & e-quotes. Increase the use of performance specifications & standard products where appropriate.</i>
	Develop a sustainable world class procurement & supply chain team	<i>Maintain CIPS Platinum status. Broaden & deepen team capabilities through nurturing talent, training & development. Improve productivity increasing time on value-add activity.</i>
Great Value & Financial Sustainability	Assuring & enhancing supply chain performance & value	<i>Assure value delivered from procurements, Indexation control & price validation, £ in the ground measurement and Integrated Supply Chain Management & Performance Management, & supply chain innovation.</i>
	Understand & mitigate supply chain risk and opportunity	<i>Monitor Supply Chain risk via supplier profiles, & contingency plans. Monitor & develop Supply Chain capacity, skill and capability and reporting on market trends. Assure compliance to GDPR, Modern Slavery and Cyber Security and enhance the Ethical supply chain engagement and approach. Secure contractual arrangements with essential supply chain.</i>

4. Spend data

SW spends c£775m per year with its supply chain, split c£528m capital and c£247m operational and the goods and services we receive for this are a critical enabler in supporting our ability to deliver our services to customers.

Figure 4 below details the categories and percentage of spend that makes up the £775m.

Figure 4: SW spend profile



Around 76% of this supply chain are businesses with locations in Scotland and approximately 71% of this supply chain is classified as SME's.

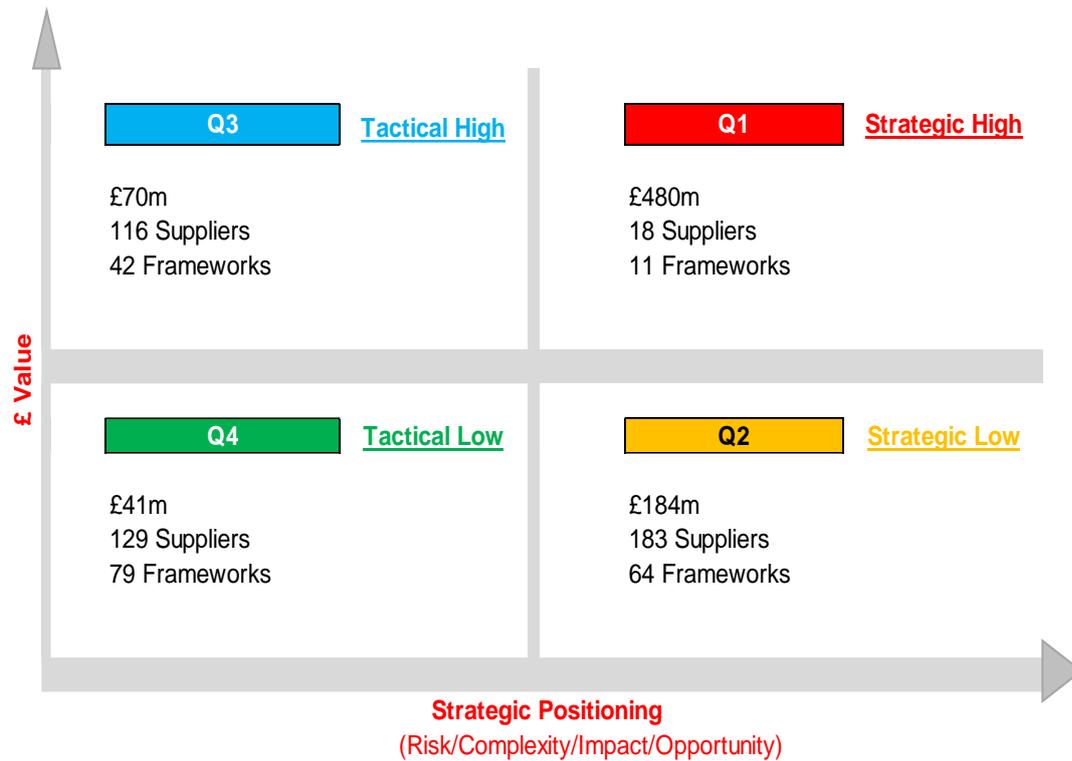
4.1 Supply Chain Segmentation

Scottish Water uses Supply Chain Segmentation as a method of classifying categories to develop a tailored approach to managing its supply chain. The strategy is to segment categories and frameworks within these based on spend, risk, importance and complexity. The supply chain has been segmented into four quadrants as detailed in Figure 5 below.

This matrix shows the value of spend, number of framework and suppliers in each of the four quadrants. It demonstrates that the majority of SW's spend (c£664m) is with strategic/high value suppliers which is where we may be exposed to varying degrees of risk but also have the most opportunity.

Specific rules of engagement and governance have been developed per quadrant, to allow us to effectively purchase, tailor contractual terms, measure, and manage our supply chain and grow the appropriate relationships at the right levels.

Figure 5: SW Supply Chain Segmentation matrix



5. Sourcing activity, Stakeholder engagement & Sustainable Procurement

Scottish Water operates under the Utilities Contract (Scotland) Regulations 2016 and will ensure that all regulated procurements are carried in the strictest accordance with these regulations. The following sections demonstrate Scottish Water’s approach to satisfy the requirements of Section 15 of the Procurement Reform (Scotland) Act 2014.

As a CIPS Platinum accredited procurement team, Scottish Water is deemed to have world class procurement and supply chain management policies and procedures and commits to maintain this accreditation and continually seek to improve.

5.1 Stakeholder engagement

For all regulated procurements, a project sourcing team is formed, led by the Procurement Representative. Many colleagues throughout Scottish Water are involved in the procurement process e.g. budget holders who may commission the buying of goods and services, end users who define and refine specifications of what is required; purchasers who manage the procurement process; project sponsors; payment authorisers; and a range of specialist advisory/support and administrative functions. The Project Sourcing Team approach involves engaging all stakeholders in the procurement process, where appropriate, to ensure that the optimum benefits are realised and sustainable.

On a monthly basis, the list of which suppliers are involved in our tendering processes is published on our intranet to ensure that business users have this awareness prior to any engagement.

5.2 Sourcing activity

Currently, all regulated procurement requirements are published via Delta E-Sourcing, provided by BiP Solutions Ltd. All regulated procurement requirements will be advertised on this platform and the tender process will be conducted online e.g. suppliers will enter their submissions directly into this system and Scottish Water will evaluate online.

All requirements will be sufficiently well described to ensure that potential suppliers recognise them without difficulty and understand what Scottish Water's requirements are. Incumbent suppliers will be made aware of Scottish Water's intention to procure, that the advert has/is being published and be provided with information on where to find the advert and how to submit a tender.

For some categories, 'bidders' days' are held to communicate to interested tenderers further details on what Scottish Water is looking for and tips for success. We will continue to hold such events where it is deemed appropriate.

Scottish Water will always carry out its sourcing activities transparently and to the highest ethical standards ensuring that tenderers are treated equally and without discrimination.

5.3 Sustainable procurement duty

Scottish Water takes its responsibility seriously to ensure that the goods and services procured deliver best value for money for its customers and ensuring sustainability is included as a key consideration.

For all regulated procurements, suppliers are required to complete a 'Value Delivery' questionnaire which is a scored element of their tender submission. This questionnaire covers 6 areas:

- 1) Safety & well-being
- 2) Innovation
- 3) Community benefit
- 4) Low carbon
- 5) Efficiency
- 6) Ethical Approach / Fair Work First

5.4 Safety, Health & well-being

SW places the Safety, Health & Well-being of its employees and people working in its supply chain as a key priority. SW will only contract with businesses who comply with the Health and Safety at Work Act and any provision made under that Act as a **minimum** standard. For all regulated procurements, Health & Safety is assessed at Pre-Qualification stage and only those who pass this section will be deemed suitable to contract with. All framework contractors must hold Achilles Verify accreditation and meet the minimum standard of 85% pass rate. For ad-hoc contractor requirements, safety is assessed through internal vetting and accreditation with Achilles, CHAS, Safe Contractor or Constructionline.

At tender stage, suppliers are required to demonstrate the initiatives that are underway regarding improving safety and well-being for their employees, reducing levels of work-related illness and improving their safety culture.

Scottish Water will continue to place ultimate importance on safety and well-being as a key area of evaluation in its sourcing activities.

5.5 Innovation

SW understands the value innovation can bring to an organisation whether it is in the form of achieving costs savings, process changes or continual improvement. It recognises that innovation from the supply chain can be a key source to tap into and explores this opportunity during the sourcing process.

Tenderers are requested to provide details of current or planned innovations that SW could adopt and the benefits these could deliver. These are considered, scored and if successful are explored once the framework commences.

Scottish Water will continue to explore innovation opportunities through its sourcing and integrated supply chain management processes.

5.6 Community benefit

Tenderers are required to detail their commitment to the delivery of community benefits. This could include the appointment of MAs/Graduates, employment of people who have been long term unemployed, engagement with supported businesses or support to local communities. These commitments are included as part of the contractual agreement and monitored to ensure delivery.

Scottish Water will continue to include this as part of its sourcing and integrated supply chain management activities.

5.7 Reduced Emissions

Scottish Water will play a part in achieving the Scottish Government's climate change commitments through an ambitious plan to secure net zero emissions by 2040 and going beyond that thereafter. This will be an immense but necessary challenge and we will need the support of our supply chain to help us in achieving this ambition. During 2020 we developed a route map, setting out how we will lead our industry to achieve net zero emissions; involving radical action, transformative change and additional investment. Procurement will have carbon plans by 2023.

Tenderers are requested to measure their carbon footprint and communicate their plans to reduce emissions and embodied carbon in its products supplied.

Scottish Water will continue to include this as part of its sourcing and integrated supply chain management activities and publish an annual sustainability report.

5.8 Efficiency

As part of demonstrating our commitment to delivering value for money, Scottish Water requires its tenderers to provide details of how costs are built up and detail which initiatives they plan to implement to improve efficiency during the lifetime of the framework.

These could be opportunities for improving efficiency by working collaboration with Scottish Water or its supply chain partners.

Scottish Water will continue to include this as part of its sourcing and integrated supply chain management activities.

5.9 Ethical Approach/Fair Work First

Scottish Water is committed to the Fair Work First principles as set out by the Scottish Government and reflect this during the tender process. Tenderers are required to detail their commitment to how they propose to commit to the principles of fair work first. This includes demonstrating that they take the engagement and empowerment of workers seriously; take a positive approach to rewarding workers at a level that can help tackle poverty (e.g. through a commitment to paying at least the living wage), adopting fair employment practices, providing skills and training which help workers fulfil their potential and not exploiting workers (e.g. in relation to matters such as the inappropriate use of zero hours contracts or “umbrella” companies).

Additionally, Scottish Water expects its supply chain to comply with the requirements of the Modern Slavery Act. For suppliers with a turnover of >£36m, the mandatory statements are gathered and reviewed to ensure compliance. For suppliers with a turnover of <£36m, suppliers are requested to sign an annual statement, developed by Scottish Water to confirm their compliance.

Scottish water has also undertaken a risk assessment of its supply chain to identify categories of spend that may be at higher risk of Modern Slavery or human trafficking occurring. For the categories deemed higher risk, a selection of suppliers and contractors have been audited and any improvement initiatives identified and actioned.

Scottish Water will continue to include this as part of its sourcing and integrated supply chain management activities and too enhance our Ethical approach Scottish Water are engaging SEDEX affiliate audit companies to provide Sedex Members Ethical Trade Audit (SMETA) audits and during In 2021/22 Scottish Water will use Sedex for higher risk sectors / categories to increase transparency of SW's 2nd / 3rd 4th tier of the supply chain risks using self-assessment, access to audits and increasing access to inherent risk information by sectors and geography

Scottish Water has an Anti-Slavery Policy and produces a Slavery and Human Trafficking statement on an annual basis which can be found on our website.

5.10 General Data Protection Regulations

Scottish Water is committed to complying with the General Data Protection Regulations that were introduced in May 2018. From a supply chain perspective Scottish Water have updated all supplier contractual agreements to ensure compliance.

Scottish Water will continue to include this as part of its sourcing and integrated supply chain management activities.

5.11 Procurement Skills Accord

Scottish Water maintained the Procurement Skills Accord during financial year 2020-2021. The Procurement Skills Accord which has been developed by the Energy & Utilities Skills Partnership to address skills challenges in the sectors' supply chain. The Accord is designed to promote and lock-in sustained investment in the technical and operational skills that the sector needs most via procurement practices. It has robust and challenging commitments that require signatory companies to ensure that responsible procurement practices are used to drive investment in skills through the delivery of contracts and to cascade them down to their own suppliers. Scottish Water achieved the award for FY20-21, demonstrating Scottish

Water’s strong commitment to investing in training and skills development for our own employees while using our procurement processes to drive this within our supply chain. Scottish Water has signed up to maintain this for FY21-22.

6. Integrated Supply Chain Management

Scottish Water has implemented a business wide Integrated Supply Chain Management (ISCM) approach that enables effective behaviours, processes and relationships to ensure the right outcome in support of the Scottish Water Purpose. The definition is “Internal and External stakeholders working in a spirit of mutual trust and collaboration to support all parties business objectives – working to deliver for our customers & communities”. We will continue to monitor and enhance performance management for SR21, ensuring contracts are robust and fit for purpose to support Scottish Waters Vision and Strategic Ambitions.

The objectives of ISCM are to:

- Optimise B2B Relationships
- Be Customer Responsive & Sustainable
- Assure & Enhance Performance & Value Together
- Effectively Manage Risk & Opportunity Together

Figure 6 below shows the environment and the key business processes, relationships and engagement interfaces that we will work and improve upon. Many of these have shared responsibility across the business reinforcing the necessity for business wide engagement in the development of the ISCM approach.

Figure 6: ISCM Overview



We believe that if we have robust business processes in place this will allow us build and maintain the right business-to-business relationships. This will allow us to help achieve our key objectives, supporting the Scottish Water Purpose.

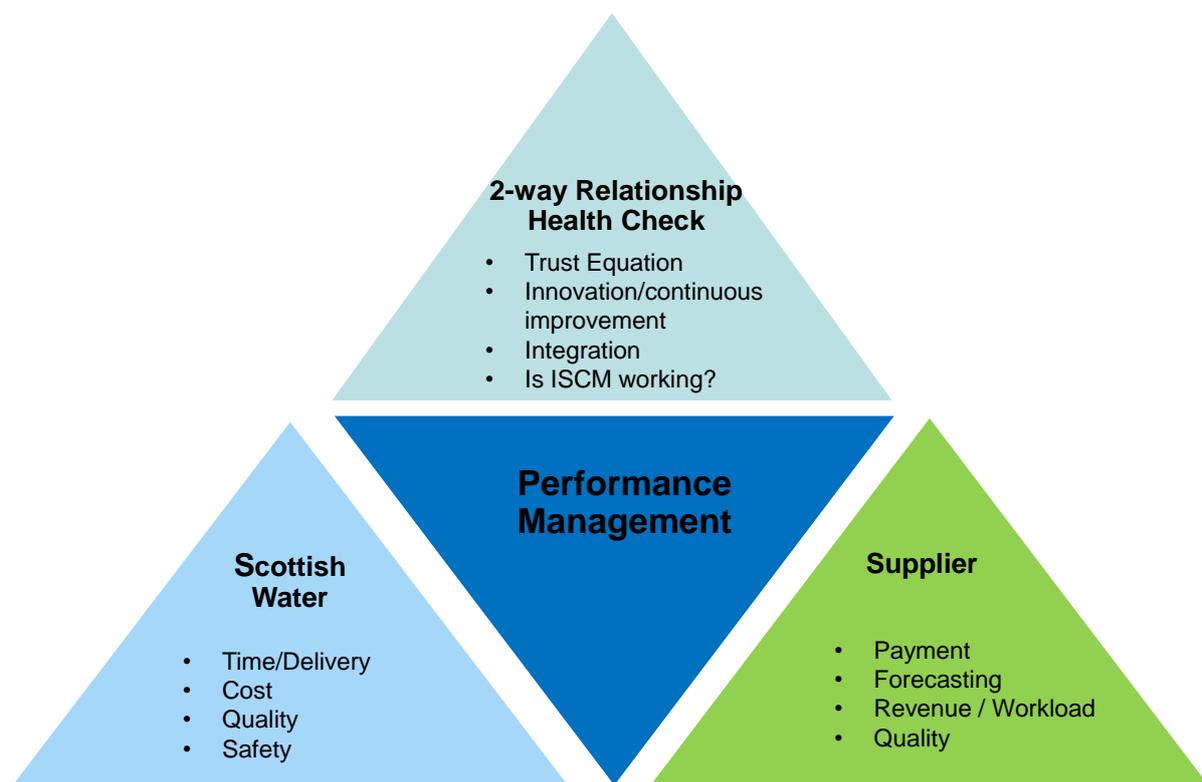
6.1 Performance Management

A 2-way Performance Management approach has been implemented, detailed in Figure 6 below, which focuses on embedding the right behaviours, mechanisms and outputs to measure suppliers and Scottish Water's performance, including the health of the relationship. The outputs are evidence led, with clear roles and responsibilities identified, and each supply category is assigned a clear 'business owner' or 'community' of owners. This requires engagement and collaboration across Scottish Water and the supply chain.

The outputs provide improved market understanding to inform business decision making in terms of allocating work, maximising opportunities for performance and efficiency and helping mitigate risk to both Scottish Water and the supply chain.

In order to identify the level of ISCM required for each supplier, the supply chain segmentation matrix is referenced and the quadrant a supplier is placed in will determine the level of ISCM required.

Figure 7: Scottish Water Performance Management approach



6.2 Capacity management

Scottish Water is aware of the impact it has on the supply chain and wider economy with respect to forward planning and workload allocation.

To ensure effective forward planning and workload allocation, it is vitally important that this is planned and managed. This will ensure that the scope and work type is allocated to the supplier/contractor with the capacity and capability to undertake the works within the required timescales.

To facilitate optimum allocation, both for Scottish Water and the supply chain, it is important that current and future capacity is tracked and visible to the key stakeholders who are allocating the work.

A capacity tracker has been developed with our key contracting partners (Alliance, Tier 1 and rural supply chain).

We will continue to use and develop the capacity tracker in the contracting arena and consider the opportunity to gather this type of information across the wider supply chain.

6.3 Payment to suppliers

Scottish Water is fully committed to ensuring its suppliers are paid in a timely manner.

Standard Supplier payment terms were 30 days following receipt of invoice with which Scottish Water has no dispute. Scottish Water has adopted accelerated payment practices and is committed to ensuring prompt resolution of any invoice issues to ensure timely payment.

Within our framework agreements with contractors and sub-contractors, there is a requirement to pay sub-contractors within 30 days of an agreed invoice date. There are contractual consequences for contractors and sub-contractors who fail to adhere to this.

On a 6-monthly basis Scottish Water issues an 'Aged debt survey' to its supply chain to identify the value of aged debt and assist with resolution of the issue where required. This was increased to a 3-monthly frequency during the last year to monitor any negative impacts due to Covid-19.

Scottish Water is fully committed to ensuring its supply chain is paid in a timely manner and issues are resolved as a priority.

6.4 Project Bank Accounts

Following the new thresholds, detailed in CPN 01/2019, concerning Project Bank Accounts, Scottish Water will use Project Bank Accounts for certain types of projects, as set out below. This has been agreed with the Scottish Government and approved by the Supply Chain Steering Group:

- SW will use PBAs for any new procured building projects (as defined as office buildings) over the value of £2m and for any new civil engineering projects over the value of £30m regardless of delivery vehicles.
- For projects between the ranges of £5m-£30m:

- If delivered by current delivery partners then the default shall be that PBA will not apply unless Scottish Water decide otherwise on a project specific basis.
- If delivered by an alternative route, such as a procured competitive market position, Scottish Water will consider PBA's as part of a suite of payment approaches for each project within this value range as part of the procurement strategy review, and decide on the most appropriate option at that time based on the supply chain design and project complexity.

7. Strategy ownership & Contact details

The owner of this strategy on behalf of the Scottish Government is Joe Rowan, our general Manager of Procurement and Supply Chain.

The strategy covers the period FY21-22 and will be reviewed at least once a year by the Scottish Water Supply Chain Steering Group. We will publish any new versions on our website.

Joe Rowan FCIPS
General Manager Procurement & Supply Chain

The Bridge,
Buchanan Gate Business Park
Cumbernauld Road
Stepps
North Lanarkshire
G33 6FB

E-mail: procurementhelpline@scottishwater.co.uk

Appendix 1 – Annual procurement plan

1. Contract/framework awards over the last 12-months

Table 1 below details all new Contract/framework awards and extensions over the last 12-months.

Each of these contracts/frameworks were identified by Procurement and Supply Chain alongside key business stakeholders as key requirements to help support delivery of either operational or capital business requirements (or both in some instances).

Table 1: Contract/framework awarded in FY20-21

Frameworks/contracts awarded			
No	Contract Number	Contract Title	No Suppliers awarded
1	SW18/ENY/1167	Hydro Operations Monitoring and Maintenance	2
2	SW20/ENY/1316	Supply of Natural Gases	1
3	SW20/CSD/1303	Glass Fused Steel Tanks (with or without roofs) for Water and Wastewater Applications	1
4	SW19/S&W/1259	The Transport of Sludge	3
5	SW20/NST/1310	Purchase Cards - Payment Solutions	1
6	SW19/S&W/1251	Provision of Sludge Transport & Recycling Services	2
7	SW19/TI&T/1226	Mobile & Field Connectivity	2
8	SW19/CSD/1249	Leakage Detection and Management Services	1
9	SW17/HOR/1072	The Supply, Installation and Maintenance of CHP and CCHP Units	2
10	SW19/CHE/1211	The Supply and Delivery of Hydrated and Quick Lime	1
11	SW19/CHE/1232	The Supply and Delivery of Chlorine Gas	1
12	SW20/CSD/1319	The Provision of Commercial Diving Services	1
13	SW19/TI&T/1243	Enterprise Architecture Tooling	1
14	SW19/ACP/1201	Provision of Recruitment Agency Services for HGV Drivers	3
15	SW18/WP/1158	Provision of ad-hoc Grounds Maintenance Services	10
16	SW19/CHE/1242	The Supply and Delivery of Chemicals	8
17	SW20/WP/1332	Roller Shutter Door Inspection and Maintenance	1
18	SW21/CSD/1337	Supply of Standpipes	1
19	SW20/WP/1334	Lift Inspection and Maintenance	1
20	SW19/HIR/1230	Managed Operated Service and Self-Drive Plant Hire Services	1
21	SW20/INF/1291	Supply of ductile iron pipe and fittings	1
22	SW20/CSD/1309	CHP Maintenance (Cleaning)	1
23	SW19/S&W/1207	Waste Management - Septic Tank Emptying	2
24	SW18/HIR/1128	Hire of Cars & Commercial Vehicles - Lot 5 - HGVs	1
25	SW20/HIR/1292	Hire of Fusion Equipment	1
26	SW20/CI/1324	Provision of Safety Showers & Eyebaths	1
27	SW21/CSD/1340	The Provision of Temporary Dosing Solutions & Supply of Odour Control Chemicals, Application Technology and Dosing Control	1

Table 2: Contract/framework extended in FY20-21

Frameworks/Contracts Extended			
No	Contract Number	Contract Title	No of Suppliers Extended
1	SW15/CAP/990	Wastewater Packaged Plant - Lot 3 Septic Tanks	6
2	SW15/VFP/977	The Provision of Fuel Card Services	2
3	SW18/CSD/1132	Roller Shutter Door Maintenance	1
4	SW17/POD/1078	Physiotherapy Services	2
5	SW12/FPA/839	Property Maintenance - Lift Maintenance	2
6	SW17/WP/1093	Provision of Business Travel	1
7	SW17/S&W/1085	Sludge Transport (Highlands, Islands, Fife, Tayside, Argyll & Greater Glasgow) Lot 1 – Shieldhall & Dalmuir	1
8	SW16/ACP/1039	The Provision of Property Auctions & Redundant Asset Program Services	2
9	SW15/FPA/999	Removal of Asbestos and Clean-Up Services	1
10	SW15/ENY/1011	Supply & Installation of Photovoltaic Equipment	2
11	SW17/PE/1073	The Supply of Signs, Cones and Barriers	1
12	SW11/EM/778	Provision of Electro-Mechanical Repair and Maintenance Services	1
13	SW10/NM/756	Water Network R&M Services - The supply of repair and maintenance services to the water network	1
14	SW10/NM/612	The Provision of Wastewater Network Repair & Maintenance Services	1
15	SW15/PRS/973	The Provision of Conveyancing Legal Services	2
16	SW15/PRS/975	The Provision of Litigation Services	2
17	SW15/FPA/1000	The Provision of Office Stationery	1
18	SW15/PRS/974	The Provision of Corporate Legal Services	2
19	SW13/VFP/873	Company cars and light commercial vehicles up to 3.5 tonnes and 4x4 vehicles	4
20	SW17/HOR/1088	SWH Contractors & Consultants	28
21	SW17/ACP/1090	Rating Consultancy	1
22	SW17/WP/1099	The Provision of Venue Hire Services	1
23	SW17/HOR/1084/1	SW Horizons 3rd Party Sludge Tankering Services	3
24	SW12/FPA/839/5	Property Maintenance - Lightning Protection	2
25	SW15/FPA/1002	The Provision of Office Cleaning and Hygiene Services	1
26	SW13/EM/866	Drinking Water Inspectorate Storage Tanks and Chemical Storage Tanks	2
27	SW14/CAP/914	Supply of Blowers & Compressors	3
28	SW17/HOR/1072/1	The Supply, Installation and Maintenance of CHP and CCHP Units	2
29	SW15/NST/986/1	Pressure Reducing Valves	2
30	SW14/CAP/928/2	Hiring of Trenching & Shoring Equipment (Lot 1)	5
31	SW14/CAP/828	Supply and Delivery of GRP Kiosks	1
32	SW11/CAP/799	CSO Screens - Lots 1 & 2	1
33	SW14/PRS/957	Property Acquisitions/Surface damage claims	2
34	SW09/CAP/595/2	Remote Telemetry Unit	2
35	SW12/FPA/839/7	ECG Facilities Services	2
36	SW14/CAP/916	SR15 Managed Delivery Tier 1 Contractors (LOTS 1 & 2)	6
37	SW14/CAP/905	PE Pipe and Fittings	2
38	SW16/ACP/1054	Tax Advisory Services	1
39	SW09/CAP/594/1	Telemetry Engineering Support Services	2
40	SW14/CAP/922/1	Screen Handling Framework Lot 3 Sludge Screens	6
41	SW14/CAP/0945/1	Supply and /or refurbishment of distributors for biological wastewater treatment Trickling Filters	2
42	SW15/S&W/0993/3	Waste Management Service Skips & Bins Hire	5
43	SW09/CAP/643/1	Instrumentation	2
44	SW11/INF/815/2	Permanent Reinstatement Services	3
45	SW10/CAP/610	Power Upgrades	1
46	SW17/WP/1113	Planned Grounds Maintenance	1
47	SW15/VFP/977	Provision of Fuel Card Services	2

Appendix 2 – Community Benefits

As part of our procurement activity for SR15 (2015-2021), our supply chain has committed to delivering a significant amount of community benefit.

Table 2 below details the number of Modern Apprentices (MAs) and Graduates that have been committed and delivered by our supply chain during SR15. These are contractual commitments which were generally met. To date, we have achieved 89% of our MA commitments and 173% of our Graduate commitments.

Table 3 – Community Benefit

Financial Year	MAs Committed	MAs Employed	Graduates Committed	Graduates Employed
FY15/16	11	13	25	40
FY16/17	78	86	52	106
FY17/18	86	79	40	94
FY18/19	83	81	45	59
FY19/20	87	102	37	82
FY20/21	64	2	31	18

Appendix 3 – Forward Procurement Plan

Table 4 below is a list of the procurement activity that will be launched within the next 12-months.

Table 4 - Contract/frameworks to be procured in FY21-22

No	Contract Title	Target start date for activity
1	Electrical Connections	May-21
2	Enterprise Asset Management System	Jun-21
3	High Voltage Supplies and Installations Maintenance	Aug-21
4	Instrumentation	May-21
5	Juniper House Refurbishment	tbc
6	Juniper House Refurbishment - Design	Jun-21
7	Lightning Protection Services	Jun-21
8	Maintenance of CHP Assets	Aug-21
9	Management of Rural Land	Jun-21
10	Modular Assembly Fabrication	Jun-21
11	Office Catering Services	Jun-21
12	Pest Control Services	Jun-21
13	Provision of Alarm, CCTV and Extinguisher Maintenance	Jul-21
14	Provision of Building Surveys	May-21
15	Provision of Distributor Services to Scottish Water	May-21
16	Provision of Standpipes	Mar-22
17	Purchase of a LCMSMS system	Jun-21
18	Purchase of a Tricarb system	Jun-21
19	Removal and Re-Planting of Trees	Jul-21
20	Road Reinstatement Coring	May-21
21	Strategic Investment Planning	Aug-21
22	Supply & Services of Media	Jul-21
23	Supply of Precast Concrete	Jun-21
24	Tax Advisory Services	Jul-21
25	Temporary Chemical Dosing	Sep-21
26	Temporary Staff - Customer Services	Aug-21
27	The Hire of Trenching & Shoring	Jun-21
28	The Provision of Barrier Pipe	Nov-21
29	The Provision of Consultants & Contractors for Scottish Water Horizons	Dec-21
30	The Provision of Drainage Pipe	Nov-21
31	The Provision of Electrical Cabling	Jun-21
32	The Provision of Wall Sections	May-21
33	The Supply & delivery of Powdered Activated Carbon	Sep-21
34	Voice of the Customer System	Sep-21