

David MacBrayne Limited

Annual Procurement Report 2023-24

David MacBrayne Limited Procurement Vision and Policy Statement

David MacBrayne Limited (DML) is wholly owned by Scottish Ministers. It is the UK's largest ferry operator and one of the largest transport operators in Scotland, providing essential lifeline services and logistical support to island and remote communities. DML has several subsidiaries, including ferry operators CalMac Ferries Ltd, and a human resource subsidiary, David MacBrayne HR (UK) Ltd. DML has several subsidiaries, including ferry operators CalMac Ferries Ltd, and a human resource subsidiary, David MacBrayne HR (UK) Ltd. In order to deliver these services DML procures a diverse range of works, supplies and services from its suppliers.

DML aims to ensure that commercial excellence is embedded throughout the organisation, services always deliver best value and excellence is embedded in commercial, procurement (the whole process from identification of need, specification, selection, evaluation and award) and commissioning practices and skills. Procurement objectives are aligned with DML's corporate objectives and the Scottish Government National Performance Framework.

DML is committed to the following, which must be adhered to by everyone involved in the procurement process, whether as budget holder, end user or purchaser:

- Staff undertaking procurement decisions have the appropriate authority and capability;
- Demonstrate leadership and the highest standards of honesty, integrity, impartiality and objectivity in all our dealings with suppliers and potential suppliers;
- Procurement to be conducted through the most appropriate Procurement route to market;
- Improve supplier access to DML contract opportunities, including the publication of contract notices on Public Contracts Scotland and enabling SMEs, third sector and supported businesses to compete for work, either as a contractor or sub-contractor;
- Deliver efficiencies and savings to ensure value for money, including consideration of whole life costs and the best price/quality ratio;
- Enabling optimum procurement practices, continuous improvement and innovative solutions;
- Embed sustainability in procurements in a relevant and proportionate manner using Scottish Government sustainable procurement tools including the Prioritisation Methodology and Sustainability Test as required by the Procurement Reform (Scotland) Act 2014;
- Apply the WTO Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition in all procurements;
- Compliance with the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015, the Utilities Contracts (Scotland) Regulations 2016, and all other relevant legislation or regulations;
- Undertake consultation with key internal and external stakeholders, including early engagement to ensure relevant risks and opportunities are considered in commodity strategies;
- Collaborate with other contracting authorities where appropriate including relevant use of sector or National Frameworks and sharing of best practice;

- Payment of suppliers on time in accordance with contractual arrangements and regulatory obligations;
- Monitor and report performance annually against DML's Procurement Strategy and intended objectives.

The Procurement Policy, endorsed by senior management, will be reviewed on an annual basis.

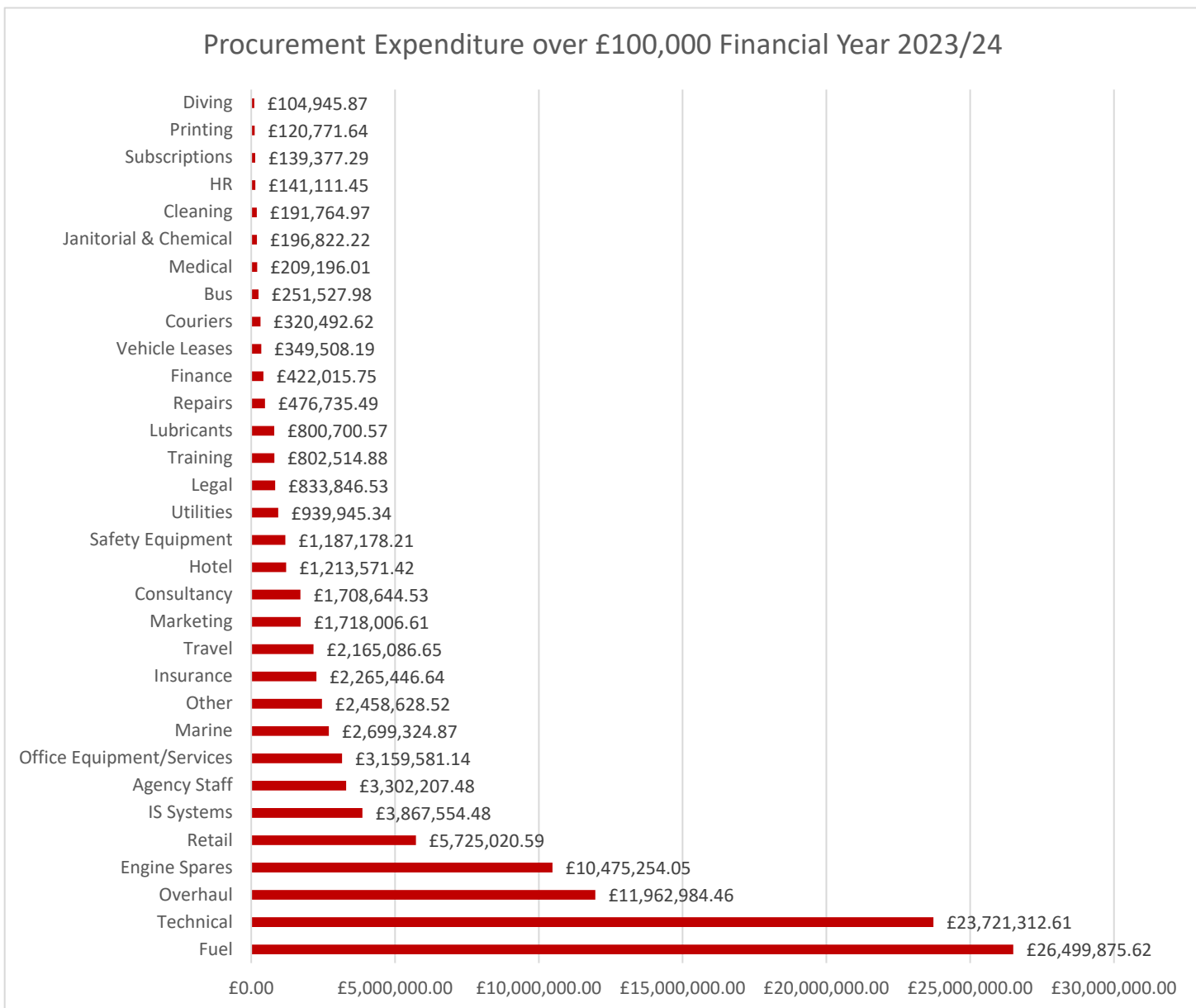
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1 Introduction

David MacBrayne Ltd, which is wholly owned by Scottish Ministers, is the UK's largest ferry operator, running 31 routes to over 50 destinations across 200 miles of Scotland's west coast. Our fleet of 35 vessels complete approximately 162,750 sailings a year with crossings ranging from 5 minutes to 7 hours. We provide an everyday lifeline service to west coast communities, and for tourism, we play a critical role in enabling its development, which is hugely important for the area's economy.

DML's annual procurement expenditure from April 2023 – March 2024 was £110,620,719.70. The breakdown of our spend for this period is shown by category in the following table. It includes spend of £100,000 or over, by category:



Procurement is the process of obtaining goods, services and works from third parties; from the consideration and identification of the need, specification of relevant requirements, supplier selection, contract award and invoice payments. It is an important enabler of organisational and National outcomes. This Strategy also considers the appropriate management of awarded contracts to monitor and report relevant outcomes.

Details of the projected contracting activity for financial year 2023/24 are included in Annex A. This may be subject to change due to budgetary readjustments, prioritisation and the requirements of the business.

1.1 Procurement Contracts Awarded (April 2023 – March 2024)

The total value of Procurement contracts awarded over the financial year 2023/2024 was £34,754,078 with a total of 143 contract awards being made. A further breakdown of these contract awards can be seen below.

	Total Number of Contracts Awarded	Total Value of Contracts Awarded
Small/Medium Enterprise (SME)	91	£15,721,161
Large Enterprise	52	£19,032,917

2 Procurement Principles

In all dealings with suppliers and potential suppliers, DML will act with the highest standards of honesty, integrity, impartiality and objectivity.

Those engaged in commissioning of tenders/contracts must:

- Be fair, efficient, firm and courteous;
- Maintain the highest possible standard of integrity in all business relationships;
- Achieve appropriate professional standards in the management of contracts;
- Comply with the law, guidance on professional practice and contractual obligations;
- Declare any personal interest which may affect or be seen by others to affect impartiality;
- Respect the confidentiality of information received and ensure that information given is honest and clear;
- Respond promptly, courteously and efficiently to suggestions or enquiries, including handling Freedom of Information obligations according to Group policies.

DML will ensure that its procurement activities always operate in accordance with the following principles so that it treats economic operators equally and without discrimination:

- **Equal treatment and non-discrimination** – giving everyone the same chance to win a contract regardless of nationality or familiarity;
- **Transparency** - stating the requirements up front and adhering to them in an open and inclusive manner;
- **Proportionality** - setting the requirements in accordance with the needs of the contract in question;
- **Mutual Recognition** – giving equal validity to qualifications and standards from all Member States, where appropriate;
- **Confidentiality** – respecting the confidentiality of any information received regarding tenders and economic operators;
- **Standardisation** – making use of standardised procurement templates and tools where possible to ensure consistency, compatibility and efficiency, including the standard pre-qualification questionnaire;

- **Business-friendly** - making it easier for businesses, including SMEs and the third sector.

In order to apply these principles DML will:

- Undertake relevant early market engagement to inform the Procurement Strategy prior to the publication of a Contract Notice on Public Contracts Scotland (PCS), allowing more time for tender responses;
- Publish our "buyer profile" on PCS and advertise as many contract opportunities as possible and publish Contract Award Notices - to give suppliers free access to contract opportunities;
- Use the "quick quote" facility for very low value contracts - to allow suppliers to bid for very low value contracts with the minimum of bureaucracy;
- Ensure that all language used, and outcomes set are clear and precise allowing all "reasonably well-informed and normally diligent tenderers to interpret it in the same way";
- Use the European Single Procurement Document, adjusted to suit the procurement in a relevant and proportionate manner;
- Make standard Terms and Conditions widely available, including on our website;
- Enable a range of economic operators to compete for business including SMEs, third sector, supported businesses, suppliers from under-represented groups including consideration of the suitability of breaking contract requirements into smaller lots;
- Reviewing the potential for reserving contracts for supported businesses, reflecting the EU definition. This follows DML's experience in working productively with local Supported Businesses in the provision of the Clyde and Hebrides Ferry services;
- Ensure that contract requirements as established within specifications, invitations to tender, supplier selection, evaluation and award and contract management are relevant and proportionate to the subject matter of the contract reflecting market capacity and relevant intended outcomes. This will reflect early market and stakeholder engagement, a systematic consideration of relevant risks and opportunities, with purchasers having the capability to apply requirements in a relevant and proportionate manner;
- Open and inclusive publication of potential requirements, prior information notices, invitations to tender, awards and other documentation using:
 - The use of electronic communication for all procurement activity, Public Contracts Scotland for all procurements over £50,000;
 - Open public and market engagement;
 - Prompt notification of the outcome of bids, and supplier debriefing to facilitate better future performance.

2.1 Value for Money

DML will seek Value for Money from procurements, and the approach is as follows:

In accordance with procurement regulations DML will ensure that regulated procurements reflect the Most Economically Advantageous Tender (MEAT) and the Best Price-Quality Ratio;

DML also embraces The Scottish Model of Procurement and the appropriate balance of cost, quality and sustainability. This reflects the objectives as set out in this Strategy, that are a priority for procurements.

All regulated procurement by DML will therefore consider the relevant balance, according to the nature of the procurement, recognising that it can vary from project to project. This is embedded in Procurement practices. DML also enables purchasers to have the appropriate capability to determine the relevant balance.

All regulated procurements will be considered for their relevant life cycle costs, that may relate to costs of acquisition, use and maintenance and end of life.

By treating potential and incumbent suppliers equally in a non-discriminatory manner, DML will facilitate greater competition, promote innovation, and encourage a wide range of economic operators to become involved in DML procurement and so achieve better value for money.

Consideration of Quality and Sustainability outcomes, the scope of life cycle costs and the eventual balance between cost, quality and sustainability will be undertaken in a transparent and consistent manner.

2.2 Responsible and Sustainable Procurement

DML has a clear set of sustainable procurement outcomes to be considered in a relevant and proportionate manner and embedded within procurement practices.

DML will utilise available guidance to assist the embedding of relevant and proportionate sustainability requirements.

DML's intended sustainable outcomes are aligned with those embedded within procurement tools that support the delivery of the Sustainable procurement duty (outlined in Procurement Reform (Scotland) Act 2014), and this enables DML to apply a systematic approach to identifying risk and opportunity across organisational spend:

- **Prioritisation Methodology** – this enables DML to understand the commodities it procures which represent the highest combination of spend, environmental and socio-economic risks and opportunities.
- **Sustainability Test** – this is embedded in Procurement Practices to enable consideration of relevant and proportionate sustainability requirements for regulated procurements.
- **Life Cycle Impact Mapping** – this is a tool to assist purchasers to consider with key stakeholders, the scope of potential sustainability risks and opportunities.

The total value of DML's expenditure with supported businesses over the period 2023/2024 was £387.65. A further breakdown can be seen in the chart included below.

Supported Business	Annual Spend (April 2023/March 2024)
Royal British Legion Industries T/A Scotland's Bravest Manufacturing Company	£387.65

Annex A – Data Summary

1. Organisation and report details

a) Contracting Authority Name	David MacBrayne Limited
b) Period of the annual procurement report	2023-24
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period	69
b) Total value of regulated contracts awarded within the report period	£33,441,074
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	65
i) How many of these unique suppliers are SME's	39
ii) How many of these unique suppliers are Third sector bodies	0

3. Review of Regulated Procurement Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	69
a) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0

4. Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

a) Number of jobs filled by Priority groups	N/A
b) Number of apprenticeships filled by Priority groups	13
c) Number of work placements for Priority groups	0
d) Number of qualifications achieved through training of Priority groups	0
e) Total value of contracts sub-contracted to SME's	£15,721,161
f) Total value of contracts sub-contracted to Social Enterprises	£0
g) Total value of contracts sub-contracted to Supported Businesses	£0
h) Other community benefits fulfilled	0

5. Payment Performance

a) Number of valid invoices received during the reporting period	35,992
b) Percentage of invoices paid on time during the period	95%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains	69
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts	0

6. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£387.65

i)	Spend within the reporting year on non-regulated contracts	£387.65
iii)	Spend within the reporting year on non-regulated contracts	£0
7. Spend and Savings Summary		
a)	Total procurement spend for the period covered by the annual procurement report	£110,620,719
b)	Total procurement spend with third sector bodies during the period covered by the report	£0
c)	Total targeted cash savings for the period covered by the annual procurement report	£388,336.11
	i) targeted cash savings for Cat A contracts	£0
	ii) targeted cash savings for Cat B contracts	£0
	iii) targeted cash savings for Cat C contracts	£388,336.11
d)	Total delivered cash savings for the period covered by the annual procurement report	£ 428,970.00
	i) delivered cash savings for Cat A contracts	£0
	ii) delivered cash savings for Cat B contracts	£0
	iii) delivered cash savings for Cat C contracts	£428,970.00
e)	Total non-cash savings value for the period covered by the annual procurement report	£0
8. Future regulated procurements		
a)	Total number of regulated procurements expected to commence in the next two financial years	90

Annex B – Regulated Procurements forecast April 2024 – March 2025

Contract title	Contract Supply	Contract status	Procurement function	Business Function
Provision of marine oils and greases onboard the Vessels	Goods	Live	Fleet Management	Fleet Management
Clydeport Towage, Pilotage, Berthing and Conservancy	Goods and Services	In Progress	Fleet Management	Fleet Management
Supply and Delivery of Catering Equipment and Sundries	Goods	Planned	Corporate Services	Fleet Management
International Freight Forwarding	Services	In Progress	Fleet Management	Fleet Management
Supply and Delivery of Marine Gas Oil	Goods	Live	Corporate Services	Fleet Management
Temporary Seafarer Accommodation	Services	In Progress	Corporate Services	Fleet Management
DPS - Call Off 1 - MV Glen Sannox	Services	In Progress	Fleet Management	Fleet Management
Port and Associated Services for Major Vessels	Services	Live	Fleet Management	Fleet Management
Marine Fixed Fire Suppression Systems Maintenance and Servicing	Goods and Services	In Progress	Fleet Management	Fleet Management
General Chandlery and Industrial Supplies	Goods	Planned	Corporate Services	Fleet Management
Supply of Chart and Publication Management Services	Services	Planned	Corporate Services	Fleet Management
Enclosed Spaces	Services	In Progress	Fleet Management	Fleet Management
Stone Marine / Schotell Call-Off - 2x Units	Goods and Services	Live	Fleet Management	Fleet Management
Short Term Accommodation Kennacraig	Services	Live	Corporate Services	Fleet Management
Provision of Cleaning Services for Brodick	Services	Live	Corporate Services	Operations
Temporary Seafarer Accommodation	Services	Live	Corporate Services	Operations
Carrick Lodge	Services	Planned	Corporate Services	Operations
Supply of Goods and Services of Electrical Materials	Services	Live	Corporate Services	Operations
MGO Supply - Ullapool 2024-2026	Goods and Services	Live	Corporate Services	Operations
General MDR Oban	Services	Live	Corporate Services	Operations
Framework agreement for investigations (HSQE request)	Services	Planned	Corporate Services	Standards and Performance
Framework Agreement for Electrical Installation Services and Maintenance Repairs	Goods and Services	In Progress	Fleet Management	Standards and Performance
Provision of Mixed Recycling Waste (Oban)	Services	In Progress	Corporate Services	Standards and Performance
Gourock Heating Upgrade	Goods and	Planned	Corporate Services	Standards and Performance

	Services			
Supply and Installation of IPTV on the Loch Seaforth	Goods and Services	Live	Fleet Management	Standards and Performance
Seaforth IPTV	Goods and Services	In Progress	Fleet Management	Standards and Performance
Framework for Conditional Monitoring	Goods and Services	In Progress	Fleet Management	Standards and Performance
Framework for Navigational Aids and Communications	Goods and Services	In Progress	Fleet Management	Standards and Performance
Condition Assessment	Services	In Progress	Fleet Management	Standards and Performance
Faulds Park Lighting	Services	Planned	Corporate Services	Strategy and Change
Weather Forecasting Solution	Goods and Services	Planned	Corporate Services	Strategy and Change
Supply and Delivery of Milk to Nominated Vessels	Services	Planned	Corporate Services	Support Services
Company wide LMS (replacement for current legacy systems)	Services	In Progress	Corporate Services	Support Services
Kerrera Ferry welfare (composting toilet)	Goods	Planned	Corporate Services	Support Services
Trade Services Framework Agreement - Argyll & Lochaber	Services	Planned	Corporate Services	Support Services
Cleaning Services for MV Argyle and MV Bute	Services	In Progress	Corporate Services	Support Services
Marketing Agency Framework	Services	Planned	Corporate Services	Support Services
Recruitment Contractor Agencies (Head Resourcing, Harvey Nash)	Services	Planned	Corporate Services	Support Services
Ardrossan Upgrades Shuttlebus Services	Services	In Progress	Corporate Services	Support Services
Supply and Delivery of Alcohol and Promotional Off Sale Lines	Goods	In Progress	Corporate Services	Support Services
Dunoon to Gourock on call Transport Service	Services	In Progress	Corporate Services	Support Services
Provision of Fresh Meat, Fruit and Vegetables	Goods	In Progress	Corporate Services	Support Services
Cleaning Services at Oban & MV Loch Frisa	Services	In Progress	Corporate Services	Support Services
GOSS Digital Platform, modules, hosting, DR, test/dev environments	Services	Live	IT	Support Services
Managed Print Services	Services	In Progress	IT	Support Services
Recruitment Framework for Seagoing Staff	Services	Planned	Corporate Services	Support Services
Recruitment of Permanent and Temporary Staff	Services	Planned	Corporate Services	Support Services
Occupational Health and EAP Services	Services	Planned	Corporate Services	Support Services
Provision of Internal Audit Services	Services	Planned	Corporate Services	Support Services
Provision of External Audit Services	Services	Planned	Corporate Services	Support Services
Network Support Services	Services	Planned	IT	Support Services
Provision of Temporary Staff	Services	In Progress	Corporate Services	Support Services
Fuel Cards	Goods and Services	Planned	Corporate Services	Support Services

Mystery Passenger Programme	Services	Planned	Corporate Services	Support Services
Supply and Delivery of Soft Drinks and Confectionary	Goods	Planned	Corporate Services	Support Services
Oil Spill Tier 2 Responder	Services	Planned	Corporate Services	Support Services
The Provision of Lone Worker Monitoring	Services	Planned	Corporate Services	Support Services
Coffee Machine Rental and Ingredients	Goods and Services	Planned	Corporate Services	Support Services
Media Planning and Buying	Services	Planned	Corporate Services	Support Services
Customer Experience Measurement Solution	Services	Planned	Corporate Services	Support Services
Media Monitoring Services	Services	Planned	Corporate Services	Support Services
STCW Manilla Amendment Safety Training Courses	Services	Planned	Corporate Services	Support Services
Ar Turas Ticketing Software	Goods and Services	Planned	Corporate Services	Support Services
Cash Collection Services	Services	Planned	Corporate Services	Support Services
Card Payment Processor	Goods	Planned	Corporate Services	Support Services
Travel and Accommodation Booking Service	Services	Planned	Corporate Services	Support Services
The Provision of External Coaching Services	Services	Planned	Corporate Services	Support Services
Store Excellence Tool	Goods and Services	Planned	Corporate Services	Support Services
Epos Retail System	Goods and Services	Planned	Corporate Services	Support Services
E-Commerce Solution	Services	Planned	Corporate Services	Support Services
Vodafone Mobile Voice and Data Services	Services	Planned	IT	Support Services
EE Voice and Data Services	Services	Planned	IT	Support Services
Supply and Installation of Coffee Machines for MV Glen Sannox	Goods and Services	Live	Corporate Services	Support Services
Ar Turas Testing	Services	Live	IT	Support Services
StarLink Data Support	Services	Planned	IT	Support Services
Versko Managed Service Agreement	Services	Planned	IT	Support Services
Napa Ltd - Ship Stability and Integrity Software	Services	Planned	IT	Support Services
eBooking API Support	Services	Planned	IT	Support Services
Network Monitoring - Just After Midnight	Services	Planned	IT	Support Services
Mimecast Email Security	Services	Planned	IT	Support Services
FreshService - ITSM Tool	Goods and Services	Planned	IT	Support Services
Civica Catering Management	Services	Planned	IT	Support Services
Quantum Coex	Services	Planned	IT	Support Services
Vehicle LookUp	Services	Planned	IT	Support Services
InMoment XI Platform Subscription	Services	Planned	IT	Support Services
BT Services	Services	Planned	IT	Support Services
Network Fixed Line and SIP Services	Services	Planned	IT	Support Services

Managed Detection and Response Service	Services	Live	IT	Support Services
Tax Advisory Services (Project Phase 2)	Services	Live	Corporate Services	Support Services
Provision of Legal Services	Services	Planned	Corporate Services	Support Services