

PROCUREMENT

POLICY

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Section 1 General Procurement Guidelines

1.1 Introduction

The VisitScotland Group currently comprises of 2 operational entities, the NDPB (Non-departmental Public Body) VisitScotland and it's 100% owned subsidiary 2023 Cycling World Championships Ltd.

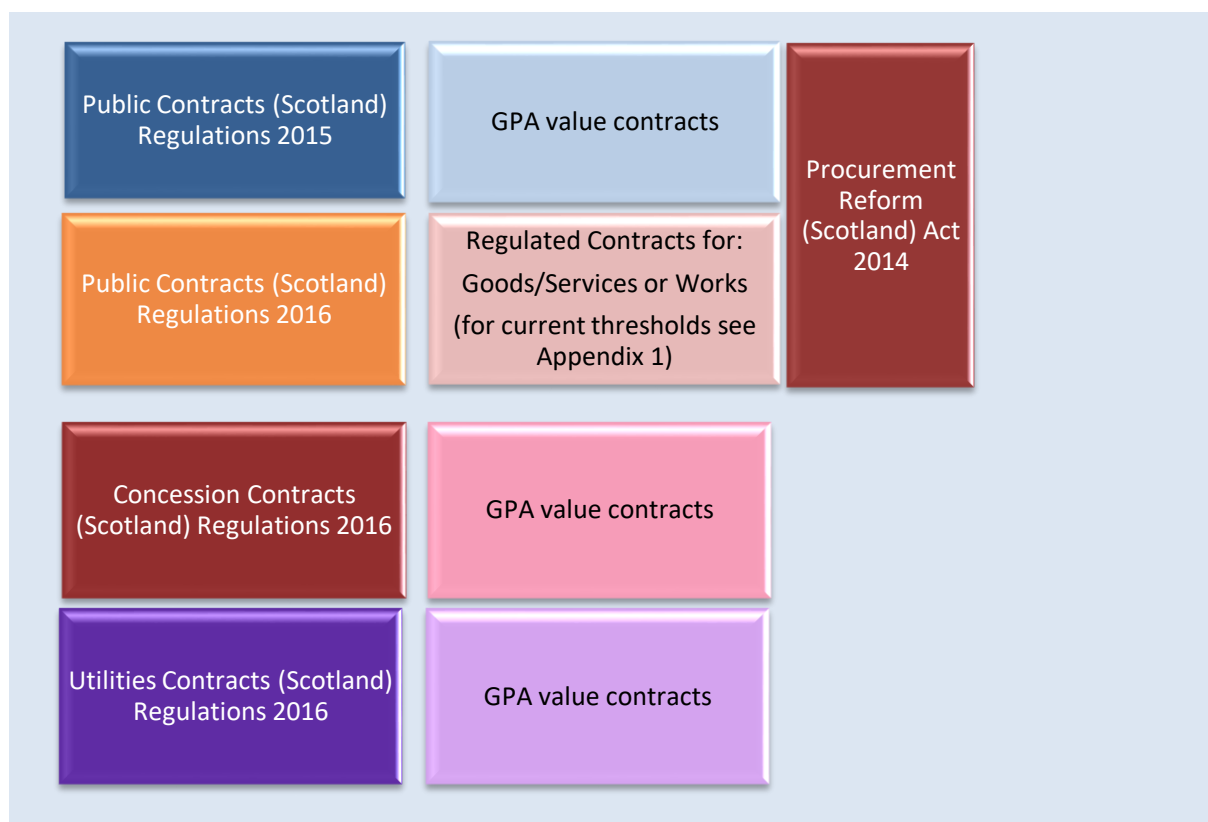
A high proportion of the VisitScotland Group budget is allocated to the procurement from third party contractors for the goods, services and works required to deliver the VisitScotland Operational Plan and 2023 Cycling World Championships Ltd Project Plan. As a public sector body, the organisation is responsible for ensuring that such expenditure is disbursed in accordance with Procurement Legislation, Financial Regulations and under a scheme of delegated authority.

The prime objective of public sector procurement is to achieve best Value for Money (VFM) at all times. Therefore, all purchasing decisions for Goods, Services and Works should be based on the principle of VFM, which are Cost, Sustainability, Quality (being Adherence to Specification and Delivery), and where appropriate Fair Work First. It is also the aim of this policy to ensure the concept of Whole Life Costs is applied to the procurement process.

Procurement has produced this policy to assist staff in the procurement process to ensure that appropriate internal controls are maintained and to act as a point of reference.

1.2 Legal Framework

Public Sector Procurement is regulated by the following legislation:



Public Contracts (Scotland) Regulations 2015

The Public Contracts (Scotland) Regulations 2015. Effective from April 2016, and the duties of these Regulations apply to procurements for goods and services with an aggregated value exceeding the GPA Threshold (current value as stated in Appendix 1).

Procurement Reform (Scotland) Act 2014

The Procurement Reform (Scotland) Act 2014 places legal duties on certain contracting authorities in the Scottish public sector. The Act is effective from April 2016 and applicable to procurements with a value greater than the Medium Value Threshold stated in Appendix 1. VisitScotland Group is subject to the Act and is compliant with the duties placed therein.

Procurement (Scotland) Regulations 2016

These regulations relate to procurements in the range of High Value to GPA Threshold.

Concession Contracts (Scotland) Regulations 2016

These regulations apply to concession contracts awarded by contracting authorities.

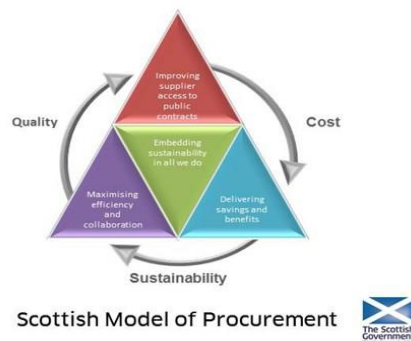
Utilities Contracts (Scotland) Regulations 2016

These regulations apply to entities operating in the water, energy, transport and postal services sectors only.

1.3 Scottish Model for Procurement

The Scottish Model of Procurement is widely acknowledged, and the Scottish Government Procurement Journey is now embedded within the Group as the principle procurement process. The principles of Cost, Sustainability and Quality are key to all procurement decisions within VisitScotland.

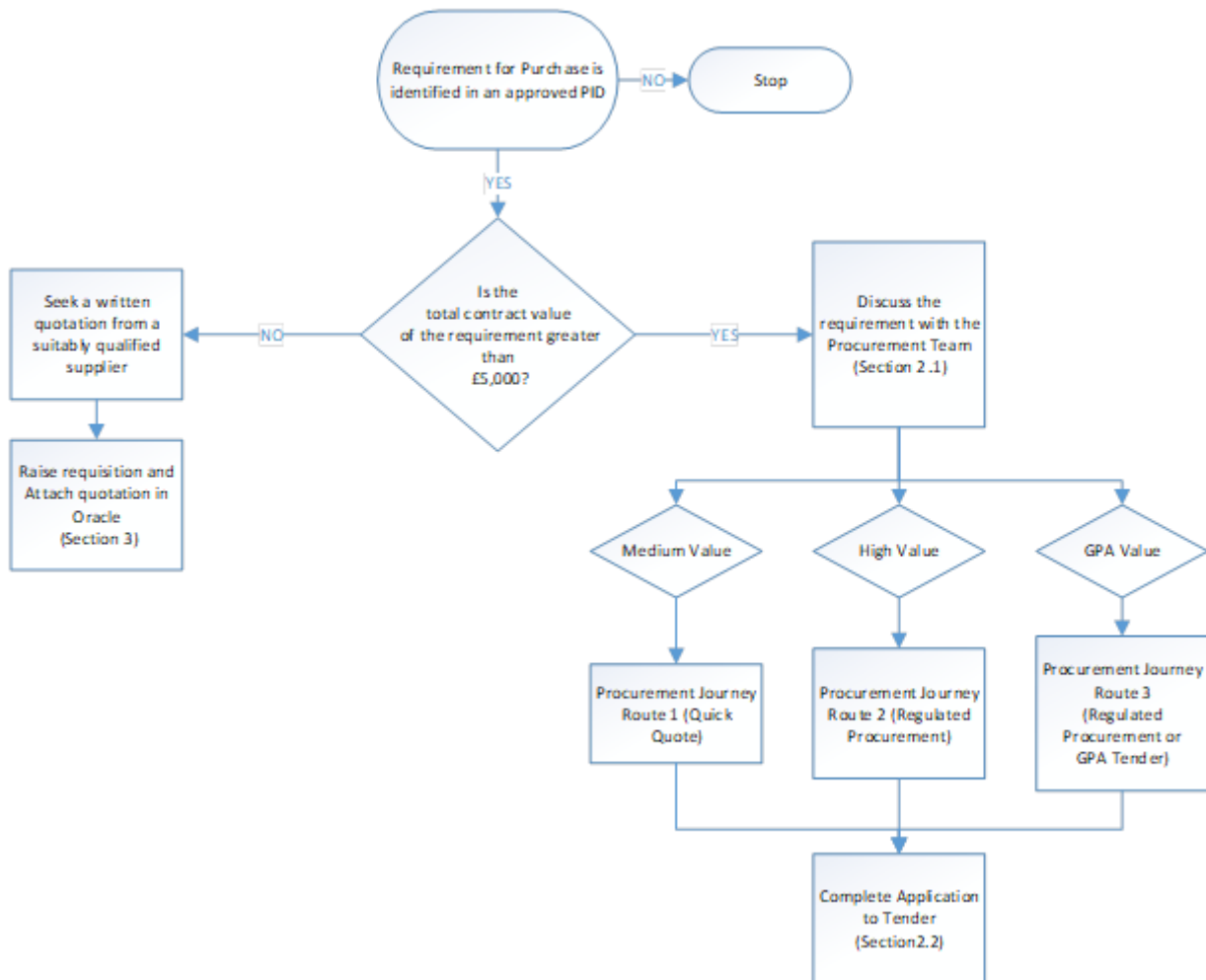
Scottish Procurement



Section 2 Procurement Process

This Section 2 outlines the Procurement Processes to be applied within the VisitScotland Group for the Procurement and Contracting of Goods and Services (including the Use of Consultants). The requirements of this section must be completed before the placement of any purchase orders.

Fig 1 Quick Guide



2.1 Competitive Procedures through the Procurement Journey

Where there is a need for Procurement and Contracting of Goods and Services, VisitScotland Group will operate in adherence with the Scottish Government's Procurement Journey in an open, fair and transparent manner. As a heavily regulated area of activity an audit trail must be maintained for all procurements. The audit trail is maintained by the Procurement Team.

Appendix 1, Procurement Journey Thresholds and Process outlines the necessary approval levels and timescales that will apply to procurement exercises, depending on the total contract value and complexity of the requirement. Procurement Thresholds are summarised below:

All procurement requirements with a total contract value greater than £5,000 must be directed to the Procurement Department. Procurements of this nature will be managed via the Public Contracts Scotland (PCS) tender portal, and the UK Government Find a Tender Service (FTS) for GPA value procurements:

Low Value: a total contract value up to £5,000 (ex VAT), a single written quote is required;

Medium Value: recognised as Route 1 of the Procurement Journey for low risk and non-repetitive procurements. Usually managed as a Quick Quote;

High Value: recognised as Route 2 of the Procurement Journey and captures regulated procurements up to the GPA Threshold Normally requires a regulated procurement or publicly advertised tender;

GPA Value: recognised as Route 3 of the Procurement Journey and required for regulated procurements of GPA Threshold and above. Requires a fully regulated GPA tender where an existing pre-tendered call-off contract is not available.

For the current thresholds applying to each level of procurement, please see Appendix 1.

2.2 Key Considerations Prior to any Procurement starts

There are some key considerations before commencing any procurement activity:

- Is the product/service part of an approved ABC / Business Case
- Is the product/service required?
- Is there a significant risk to the organisation's reputation or ability to deliver if something went wrong with the products/services?
- Could the requirement be aggregated with other similar purchases to achieve better overall value for money and/or reduce procurement costs to the organisation and public finances?
- What considerations have been given to assist the organisation meet the Sustainable Procurement duty of the Procurement Reform Act (refer to section 2.4 below)?

Additionally, when making purchasing decisions for goods, services or works for High Value procurements, Whole Life Costs, or Total Cost of Ownership must be considered. These two descriptions relate to the 'cradle to grave' impact to the organisation of the purchasing requirement. For examples, design, development, implementation, usage, maintenance, decommissioning and disposal costs must all be factored into the total budget. Internal costs of change must also be considered, including internal resource or reduced access to services during any change to supply/services.

Further considerations captured prior to commencing the procurement must address topics such as:

- Health and Safety matters
- Data Protection
- Cyber Security
- Cloud or Non-cloud Assessments
- Fair Work First
- Equality and Accessibility matters

The considerations listed above must be addressed within all Applications to Tender and will form part of the review and approval process.

2.3 Approval to Tender / Award Contracts for High and EU Value Tenders

Once a requirement has been identified for all Medium Value, High Value and GPA Value procurements an 'Application to Tender' form must be submitted for approval.

The approval levels for both 'Application to Tender' and 'Approval to Award' are summarised below:

- **Medium Value and High Value procurements must be approved by the Head of Department (or functional Director for 2023 Cycling World Championships Ltd);**
- **GPA Value procurements below £500,000 per annum (ex VAT) must be approved by the Leadership Group (or the CEO of 2023 Cycling World Championships Ltd);**
- **All procurements with a total contract value greater than £500,000 per annum (ex VAT), or £1,000,000 per annum (ex VAT) if a call-off from a pre-tendered contract such as the Scottish Government or Crown Commercial Service (CCS) framework contracts, must be considered by the appropriate Group Audit & Risk Committee and approved by the VisitScotland Board*.**
- **Any contract with a term exceeding 36 months will require to be considered by the Audit & Risk Committee, then approved by the Board and Scottish Government prior to tender.**

***Note - 2023 Cycling World Championships Board will consider procurement matters falling into this banding prior to submission to the VisitScotland Board.**

Overview of Board and ARC Approval Process

Step	1	2	3	4	5
Board	ABC in the budget process or a Business Case		Board approves the need for the product / service of the procurement as described		Board confirms the need still exists and approves the procurement
Audit & Risk Committee (ARC)		Application for Tender – the route map of the procurement: <ul style="list-style-type: none"> • Introduction • Procurement route • Award Criteria • Management Recommendation • ARC Recommendation 		Approval to Award – Has the intended process been undertaken: <ul style="list-style-type: none"> • Introduction • Procurement route • Tender Scores • Due Diligence • Management Recommendation • ARC Recommendation 	

Application forms are appended to this policy and can be found in the Procurement Guidelines section of the Hub. Completed forms should be submitted to the Procurement team.

Appendix 2 – Application to Tender

Appendix 3 – Approval to Award

At the end of the procurement exercise an Approval to Award must be created by Procurement and approved in the same manner as the Application to Tender. This must be done prior to any communication with the supplier and the award of contract to the supplier.

For Low Value procurement exercises there is no formal requirement to submit an Application to Tender, or to seek Approval to Award a contract. For Medium Value procurement exercises, there is no formal requirement to seek Approval to Award a contract.

2.4 Sustainable Procurement Duty

Sustainable public procurement aims to make best use of public money, helping the government achieve its overarching purpose and strategic objectives. The sustainable procurement duty of the Procurement Reform (Scotland) Act 2014 requires that before the organisation buys anything it must consider how it can:

- a) **improve the social, environmental and economic wellbeing of the area in which it operates;**
- b) **facilitate the involvement of small and medium enterprises, third sector and supported businesses in the procurement process, and;**
- c) **promote innovation**

The sustainable procurement duty applies to all regulated procurement exercises (i.e. those falling into the High or GPA value category). The Application to Tender (ATT) format requires that the duties of the Act are considered, and where applicable can be evidenced, as a key part of the approval process.

2.5 Collaboration

Collaboration across procurement in the public sector provides opportunities for better utilisation of public resources and procurement expertise. Through collaboration it is anticipated that aggregation of spend should improve leverage, develop innovation in the marketplace; maximise benefits and promote best practice.

VisitScotland Group supports the principle of collaborative procurement and activity participates in user driven collaborative opportunities. The following groupings define how and by whom the procurement contracts are established for each of the following categories.

- **Category A – National Contracts put in place by Scottish Procurement.** The Group will support appropriate collaborative User Intelligence Groups, contributing to specification development and tender assessment.
- **Category B – Sector Specific Contract via appropriate Centres of Expertise.** The Group will support appropriate collaborative User Intelligence Groups, contributing to specification development and tender assessment.
- **Category C1 – Regional.** The Group will support appropriate collaborative User Intelligence Groups, contributing to specification development and tender assessment. On occasion, VisitScotland Group may lead the procurement.
- **Category C – Local.** This is a VisitScotland Group only procurement.

Collaborative Framework Agreements allow for a quick and compliant route to market as the regulated procurement process has been adhered to by the collaborative purchasing authority. Where there is no

framework coverage through the Scottish Centres of Expertise (such as Scottish Procurement), the Group may call-off from UK Crown Commercial Service (CCS) frameworks, or another preapproved routes where appropriate.

The Procurement team will undertake this activity with internal colleague support.

2.6 Contract & Supplier Management

The fundamental purpose of Contract and Supplier Management is to ensure that suppliers meet their contractual obligations, and that the contract requirements are successfully delivered. Where the total contract value for goods or services is at High or GPA Value and it is appropriate to do so, the contract must be governed by a contract specific Service Level Agreement, or some other performance management mechanism. The level of management requirements, including frequency of meeting, measures, and roles & responsibilities may vary subject to the contract requirements, value, and risk. At the commencement of a procurement exercise a Commodity Tender Strategy is prepared, including a CMAT (Contract Management Assessment Tool) to determine the level Contract and Supplier Management that will be applied to that specific contract.

The Procurement team will oversee the implementation of Contract and Supplier Management. The outputs and KPIs will be agreed with the appropriate internal colleagues and with the contracted supplier. The frequency of review meetings will be determined by CMAT.

Further details on Contract and Supplier Management can be found at www.procurementjourney.scot

Key Supplier Monitoring

The Contract Management Assessment Tool (CMAT) will identify suppliers that are categorised as 'Key Suppliers' to the organisation. Key Suppliers are those that would present a risk of business disruption in the event of an issue impacting the availability of critical goods or services, thereby the organisation may be affected in the short term to fulfil operational and strategic objective

To mitigate this risk, as part of the Contract & Supplier Management review process, Key Suppliers will be asked to provide a 'business update', including new contracts, expired contracts, percentage (%) of turnover attributed to the VisitScotland Group, and copies of management accounts as appropriate. Finance will be invited to review accounts to highlight any issues/concerns.

For Key Contracts, The Group will consider business continuity planning to mitigate against disruption in the supply chain in the event of supplier failure, or a change of supplier as a result of a procurement tender exercise. Commodity Tender Strategies will determine what actions will be effective in circumstances where:

- A supplier retains the contract following a tender exercise:
- A supplier loses the contract following a tender exercise and how the transition will be managed;
- A situation of Supplier distress / failure;'
- Step-in Rights' (where applicable)

2.7 Escalation Process / Procedure

In the event that a contract is not being delivered as agreed, or the agreed quality standards are not being met. Performance issues should be addressed immediately and escalated within the organisation if not resolved promptly.

- If a supplier is not delivering the agreed level of service, you should raise this with them immediately. The supplier should be asked for an action plan to ensure that the required levels of service recommence in a short time frame. Depending on the severity of the issue, it may also be necessary to hold a face-to-face meeting with the supplier. All discussions/meetings, etc. should be recorded to ensure an audit trail exists. If resolution of the issue is not completed within the timescales agreed, then the issue should be escalated to your line manager, or to Procurement.
- If the issues raised are not resolved to your satisfaction, then they should be escalated within the supplier organisation, and an early face-to-face meeting arranged where actions and timescale to remedy the situation should be agreed and implemented. The recovery actions should be monitored on a regular basis to ensure that the agreed recovery / resolution dates do not slip. All discussions/agreements should be recorded in writing.

2.8 Use of Consultants

The use of external consultants is only permitted in circumstances where knowledge or expertise required is not available in-house, that staff substitution is not an option, and that other, less expensive external resource options have been explored.

Approval levels for consultancy should not be confused with the Competitive Procedures laid down in this Section 2 and anyone buying consultancy MUST also comply with the Competitive Procedures.

It is essential that an Application for the Use of Consultants form is approved before commencing any procurement activity. Approval levels are as follows:

- Up to £10,000 expenditure must be approved by a Director (CEO of 2023 Cycling World Championships Ltd)
- £10,000 and above expenditure must be approved by the Group Chief Executive

Guidelines for the Use of Consultant Services are available on the Hub, and Applications for the Use of Consultants must be submitted to the Procurement Team.

2.9 Supporting the Third Sector and Supported Businesses

The organisation is committed to the Scottish Government's aims to improve the access to public contracts by the third sector and supported businesses. Therefore, when it is appropriate to do so, the Scottish Government Framework agreement for supported factories and businesses shall be considered as an appropriate procurement route.

Additionally, where an identified requirement of a total value less than the High Value threshold can be provided by a third sector organisation or a supported business then a direct contract award may be possible and should be discussed with Procurement.

Such direct awards shall be recorded as a Single Source Justification (refer to section 2.11) and all contracts awarded to the third sector or supported businesses require to be reported to Scottish Government.

2.10 Fair Work First

The VisitScotland Group support the Scottish Government in the implementation of Fair Work First in Scottish Public Procurement. Fair Work is central to achieving the Scottish Government's priority for sustainable and inclusive growth.

Fair Work First asks businesses bidding for a public contract to commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- providing fair pay for workers (for example, payment of the real Living Wage);
- offer flexible and family friendly working practices for all workers from day one of employment; and
- oppose the use of fire and rehire practices.

The Group will apply the expanded Fair Work First criteria in all procurement processes, where it is relevant and proportionate to do so. Fair Work First will be relevant where the way the workforce are engaged will impact on the way the contract is performed. This will be particularly relevant in service and works contracts, where the workforce make a significant contribution to the way the contract is delivered. In goods contracts Fair Work First may also be relevant.

Fair Work First will be an evaluated criterion in appropriate tenders, and recognition will be given to the way in which each bidder adopts Fair Work First may differ on a case-by-case basis. Evidence Based Procurement (EBP) will assist to determine the maturity of the bidder's approach to fair Work First relative to their organisational circumstances.

As part of the contract management and monitoring process, contractors may be asked to provide evidence that they are adopting Fair Work First, in line with their tender response.

2.11 Single Source Justification

In exceptional circumstances, a Single Source Justification (SSJ) is available for use but must only be considered when competition is not an option. The organisation has delegated authority to approve SSJs of Low to Medium Value. SSJs above the High Value threshold require Scottish Government approval. All SSJs must be reviewed and approved by the Director of Corporate Services (CEO for 2023 Cycling World Championships Ltd).

All SSJs are reported to the respective Group Audit and Risk Committee (ARC).

SSJs fall into three categories to be selected on the application form:

- i. Sole Source of Supply relates to occasions when the goods or services can only be provided by a single provider. Examples include proprietary products or services that are only available under license from one supplier, or attendance at events that can only be procured via the event management company.
- ii. A Non-Competitive Action (NCA) will be considered in circumstances when goods or services are required urgently, and not obtainable under the conditions of existing contracts.
- iii. Where a direct contract award has been made to a third sector organisation or supported business.

The application for Single Source Justification (SSJ) can be found in the Procurement Guidelines section of the Hub and completed applications must be submitted to Procurement.

This method of procurement is NOT an alternative to the normal methods and all proposals will be subject to considerable scrutiny.

Section 3 Purchase Orders, Approvals and Control

This Section 3 outlines the approvals, procedures and authority required to place a Purchase Order for Goods or services once the requirements of Section 2 have been completed.

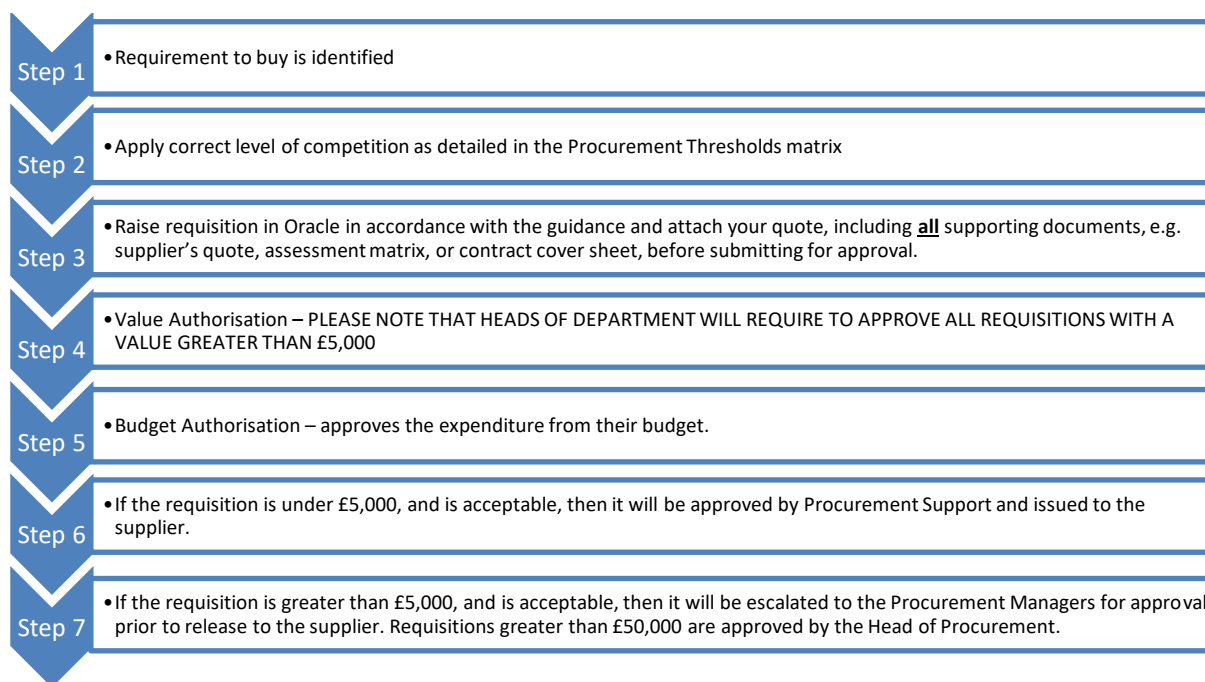
3.1 Authority to Spend

A purchase order is the VisitScotland Group's only authorisation to a supplier to supply goods or commence services. A contract will set out the terms that have been agreed with a supplier however it is the purchase order that provides the financial commitment on behalf of the Group.

A purchase order must be raised for all purchases of goods, services, or works provided to the Group. To do this a purchase requisition must be created in Oracle and approved according to the delegated limits within the system. Control Points as follows:

- **A Purchase Order (PO) is the VisitScotland Group's authorisation to a supplier to begin work and agreement to pay and provides the organisation with a means to manage its budgets;**
- **It provides a record of what goods or services the supplier will provide and how much the supplier intends to charge;**
- **A copy of the supplier quotation, tender evaluation or other evidence that the Procurement Journey has been completed must be uploaded into Oracle.**
- **Every Supplier has a unique Contract Purchase Agreement (CPA) with a set maximum contract value. Each requisition is linked to the Supplier's CPA and draws down on the allocated value allowing the organisation to track contract expenditure in real time. Where a CPA value is exceeded the requisition is blocked**

The requisition approval route is outlined in the process flow below:



Section 4 Other Procurement Related Matters

This Section 4 outlines other organisational procedures that may have an impact on procurement matters.

4.1 Capital Process

The Group has a Capital Budget for capital equipment purchases allocated each year by the Scottish Government. The capital budget must be used for all equipment purchases over £2,000 and is controlled centrally by the Head of Finance. Capital equipment is covered by special requirements under the Companies Act, and its purchase or disposal is tightly controlled.

VisitScotland Group's Capital Process is captured under a separate policy and is available on the Hub - [Link](#)

4.2 Sponsorship and Value-In-Kind (VIK)

Sponsorship and Value-In-Kind (VIK) is integral to the successful commercial delivery of major events such as the 2023 UCI Cycling World Championships. Sponsorship and VIK is vital in reducing the overall cost of the Event through suppliers providing commercial value for the opportunity to be formally associated with the Event.

The procurement process will support the achievement of commercial opportunities for the events by ensuring that the opportunity for sponsorship or budget relieving VIK related to 2023 UCI Cycling World Championships is integrated into relevant procurement process.

The following table identifies potential sponsorship / VIK scenarios and the recommended procurement treatment:

Sponsorship Scenario	Description	Procurement Route
Scenario 1: Cash Only	Commercial sports rights and benefits packages for cash fees only (the fees matching the rights package value).	Public procurement regulations are not applicable for cash only Sponsorship.

Scenario 2: Hybrid (cash and VIK)	Commercial sports rights and benefits packages for a combination of cash fees and value-in-kind (VIK) goods and services from the same sponsor (the combination of fees and limited value of VIK, matching the rights package value).	Consideration will be given to sponsorship proposals, including VIK, where the value of the VIK does not exceed 25% of the cash offered.
Scenario 3: VIK	Commercial sports rights and benefits packages for VIK goods and services only (the value of VIK matching the rights package value).	Public procurement regulations are engaged if the expected value of the VIK goods and services equals or exceeds the regulated procurement threshold (£50,000 ex VAT).

4.2 Grant Awards

VisitScotland from time to time makes grant payments or other forms of assistance, in kind assistance or contribution (e.g. Growth Fund) to external organisations to help them in their activities. Any such scheme requires approval from the Leadership Group/Board and the Scottish Government in the first instance and it may be covered by the UK’s international obligations on “Subsidy Control”.

4.3 Subsidy Control

Subsidy Control provisions (previously European Commission (EC) State aid rules) are covered by the UK-EU Trade and Cooperation Agreement (TCA) and the UK’s international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership.

Guidance on current Subsidy Control rules are available in the Scottish Public Finance Manual (SPFM) and apply to subsidies provided by any-body to which the SPFM is directly applicable.

<https://www.gov.scot/publications/scottish-public-finance-manual/subsidy-control/subsidy-control/>

In the first instance please refer all concerns to the Director of Corporate Services for advice on how to proceed.

4.4 Separation of Duties

The role of End User/Budget Holder Dept., Procurement Dept., and Finance Dept. must be separated, that is no single individual should be able to raise a requisition, approve an order and pay an invoice. Separation of these duties within the procurement process protects both individuals and the organisation from unethical practice and prevents fraud.

4.5 Declaration of Interests

In undertaking or participating in any aspect of procurement or grant award and in accordance with the Employee Handbook, colleagues are required to declare, any personal interest, which may be perceived, or be perceived by others to affect that member of staff’s impartiality in a matter relevant to his or her duties.

Alternatively, where an employee, or the spouse/ partner, or a close relative of an employee acts as a supplier, or is employed, or holds significant interest in a business that trades, or has the potential to trade with VisitScotland, then the employee has a duty to declare any such interests.

In the first instance this declaration must be made to the Head of Procurement or the Finance Manager and may be referred to the Director of Corporate services and/or the Leadership Group (VSLG).

The staff ‘Conflict of Interest and Confidentiality Declaration’ is to be found in the Procurement Policy section of the Hub.

For regulated procurement all colleagues must complete a separate Conflict of Interest and Confidentiality Statement. The Conflict of Interest and Confidentiality Statement will be circulated by the Procurement team in advance of any regulated procurement under the following conditions:

- When an open public advert is required for a tender the Conflict of Interest declaration will be required at the point where the list of bidders is confirmed;
- When a mini-competition is required, and bidders are identified under a pre-tendered contract, then the Conflict of Interest declaration is required prior to the Application to Tender.

4.6 Data Sharing

The General Data Protection Regulation (GDPR) applies to information about individuals ("personal data") and how this data is handled. Depending on the products or services that are being purchased it is possible that personal data may be a significant consideration.

We are not permitted to share Personal Data with third parties unless certain safeguards and contractual arrangements have been put in place.

You may only share the Personal Data we hold with third parties, such as our service providers, if:

- they have a need to know the information for the purposes of providing the contracted services;
- sharing the Personal Data complies with the Privacy Policy provided to the Data Subject and, if required, the Data Subject's Consent has been obtained;
- the third party has agreed to comply with the required data security standards, policies and procedures and put adequate security measures in place;
- the transfer complies with any applicable cross-border transfer restrictions; and
- a fully executed written contract that contains Data Protection legislation-approved third-party clauses has been obtained.

The organisation takes great care to ensure that effective contractual provision is evident with third parties.

For further information on GDPR please contact the Records Management & Data Protection Officer, the organisation's Legal Counsel, or the Head of Procurement. Additional information on GDPR is detailed on the Hub.

Contact - Should you require clarification on any aspect of this policy please refer to the Procurement Team.

Appendix 1

VisitScotland Partnership

Retail Buying Policy

Introduction

VisitScotland operate iCentres throughout Scotland which have a primary function to provide information, inspiration and advice to both national and international visitors.

The *2015-2016 Scotland Visitor Survey* reported that 46% of visitors engaged in shopping while visiting Scotland, and that shopping is one of the top three activities for Scottish residents when holidaying in Scotland. It is therefore a natural extension to meet that expectation and provide a retail offer which provides a carefully targeted product selection.

Legal Framework

Contracts for Retail Products are classed as “Excluded” from the standard Procurement process under the terms of Section 4B of the Procurement Reform (Scotland) Act 2014:

4 Excluded contracts

(1) A contract is an excluded contract for the purposes of section 3 if—

(a) it is a contract of a kind mentioned in paragraph (1) or (2) of regulation 6 of the Public Contract Regulations,

(b) the following conditions apply—

(i) it is for the purpose of acquiring goods, works or services in order to sell, hire or provide them to other persons,

(ii) the contracting authority will not have an exclusive right to sell, hire or provide the goods, works or services, and

(iii) the conditions on which the contracting authority intends to sell, hire or provide them are the same as or similar to the conditions on which another person could sell, hire or provide the same or similar goods, works or services, or

(c) the principal purpose of the contract is to acquire goods, works or services in connection with research or development undertaken by the contracting authority.

Specific legal advice sought on this matter confirmed that the Resale Exemption is the most relevant exemption that applies under the Procurement Legislation. Provided that VS ensures that it complies with all of the relevant conditions VS would have grounds to rely upon the Resale Exemption in connection with the award of all proposed contracts that have an estimated value of between £50,000 and the GPA threshold (currently £189,330). However, the Retail Exemption is not available to VS in relation to contracts that have an estimated value in excess of this threshold and standard procurement processes for these few contracts.

Retail Offer

In addition to providing information products such as books and maps, a selection of tourist souvenirs and general gifts are available. The strategy is to provide a selection of good quality gifts that appeal to both national and international visitors and cover a wide range of retail price prices. Increasingly, the retail offer is aiming to provide a mid to upper price range of items where quality, provenance, value and USP's are key criteria for selection.

In 2016 VisitScotland launched the Shop Local initiative. This provides a platform for local businesses, crafters, designers and others to promote and sell their products via the iCentre network. This can apply to all product categories and will focus on provenance, quality, craft and innovation demonstrating VisitScotland's continued support of local communities and talented crafts people throughout Scotland.

Product Selection Criteria

A professional and experienced retail team manage the selection, pricing, distribution and stock control. This is continually tailored to meet the seasonal requirements of the business.

The retail buyers visit trade shows and craft events and liaise with craft associations and suppliers throughout Scotland and the UK sourcing products which are continually reviewed, refreshed and updated. The criteria for selection varies between categories and products within. For example, it is expected that larger national suppliers would provide barcodes, but this would not be expected from smaller or Shop Local suppliers. The Shop Local initiative is a very progressive and developing part of the strategy and we continue to encourage and seek creativity and innovation.

The following information sets out the criteria that is considered prior to selection, although it is accepted that not every product or supplier will or must comply with them all. Feedback will always be provided to suppliers when their products are not selected and regular meetings are held with ongoing suppliers to review performance and discuss potential progress.

	Criteria	Description
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1	Market fit	Products must provide what our customers are looking for. They must be aligned to the VisitScotland brand and satisfy the customers' demands and expectations. Products must resonate with the target market and result in a positive customer experience.
2	Quality and Value	Product must be, in the sole view of VisitScotland, of an acceptable and consistent quality and be fit for purpose. Products must represent value for money when compared to other similar products sold within VisitScotland or throughout the retail environment.
3	Category	<p>The product ranges that are stocked are currently split into nine categories:</p> <ol style="list-style-type: none"> 1. Books and Print – includes maps and postcards. 2. Tourist – includes lower price point items such as fridge magnets, key rings, coasters. 3. Food – includes shortbread, fudge, toffee, haggis, salt, preserves. 4. Health & Wellbeing – includes soap and body products, candles, and scented products. 5. Clothing – includes T-Shirts, hoodies. 6. Fashion & Accessories – includes bags, scarves, jewellery, gloves, caps and hats. 7. Plush/Kids – soft toys and 'pocket money' products. 8. General Gift – glass products, ceramics, pewter quaichs, homewares. 9. Shop Local – this can be applied to every category. <p>A number of these categories have a vast selection of very similar and often identical items. Product is more likely to be selected where there is a clear point of difference to what is currently being sold in the iCentres or widely available nearby.</p>
4	Other factors	<p>This list provides a guide of other criteria that will be taken into account when selecting product. Not all may be applied to certain products or categories.</p> <ul style="list-style-type: none"> • Margin – the gift industry standard is that the minimum mark up from trade to retail is double plus VAT. For example a trade price of £10 should retail at £22. This margin can be lower for Shop Local product, higher for products where a volume discount is negotiated or variable where a recognised recommended retail price is set by the supplier. • Innovation – product that demonstrates innovation and creativity. • Carriage costs and distribution throughout Scotland – considered, for example, where distribution to the H&I is required. Also minimum pack quantity (MPQ) which can facilitate distribution to smaller sites. • Capability to offer location specific products – considered particularly in the Tourist category. • Packaging and presentation – the product should be packaged to arrive in perfect condition and look attractive on display and at point of purchase. • Display solution – consideration given to the provision of display stands, props and point of sale to promote sales. • Depth of Range – it is unusual to select a single product, product is promoted and sold successfully if a range of similar items work together. • Sustainability and Fair Trade are considered factors. • Barcodes – prefer these to be provided on the product by the supplier. This is not an expectation from small, local suppliers.

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If product sits out with these categories and criteria, the product may still be considered if the retail team consider it viable.

There is no guarantee of volume or ongoing inclusion in the VisitScotland retail range as the products are continually reviewed and refreshed.

The retail team can be contacted at shoplocal@visitscotland.com

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Updated November 2021

Appendix 2- Procurement Journey Thresholds and Process

PROCUREMENT JOURNEY THRESHOLDS AND PROCESS The procedures outlined in this table are mandatory .						
Journey managed by	Accumulated value covering the full term of the contract	Action Required	Assessment Team (minimum)	Format & Route	Estimate time for the procurement to be completed	Approval to Proceed (Application to Tender)
Low Value User Dept.	Up to £5,000 ex VAT	A <u>single written</u> quotation	1 from User Department	Supplier Quote	Up to two weeks	<ul style="list-style-type: none"> N/A
Medium Value (Route 1) Proc. Dept.	£5,001 to £50,000 ex VAT	Via <u>Quick Quote</u> ; a minimum of 3 competitive written quotations invited and a minimum of 2 obtained	Procurement will lead on exercise with support from 3 HoD appointed staff from User Dept. 2 must be permanent employees Peer and technical support will be utilised as necessary	Quick Quote Tender	–up to 8 weeks for tender development, response time, and assessment / clarification of bids.	<ul style="list-style-type: none"> Application to Tender must be approved by HoD (or functional Director for 2023 Cycling World Championships Ltd)
High Value (Route 2) Proc. Dept.	£50,001 to £177,897 ex VAT	As a ‘regulated’ procurement, <u>full written tendering procedures</u> must be applied, and the requirement must be advertised on www.publiccontractsscotland.gov.uk Please contact the procurement team before proceeding Call-off contracts from pre-tendered frameworks are covered in the notes below		Tender via PCS	–up to 10 weeks Internal approvals, tender development, advertising and assessment/ clarification of bids, Review and Approval.	<ul style="list-style-type: none"> Application to Tender must be approved by HoD (or functional Director for 2023 Cycling World Championships Ltd);
GPA (Route 3) Proc. Dept.	£177,897 ex VAT and over	In this case it is necessary to apply the Public Contracts (Scotland) Regulations 2015. Please contact the Procurement team before proceeding. Call-off contracts from pre-tendered frameworks are covered in the notes below		Tender via PCS / Find a Tender Service	Up to 20 weeks Provision as above	<ul style="list-style-type: none"> GPA value procurements under £500,000 must be approved by the Leadership Group (CEO of 2023 Cycling World Championships Ltd) All public procurements with a total contract value greater than £500,000 per annum (ex VAT) must be considered by the respective Group Audit & Risk Committee and approved by the VisitScotland Board*. All call-off procurements with a total contract value greater than £1,000,000 per annum (ex VAT) from a pre-tendered contract, such as Scottish Government or Crown Commercial Service (CCS) framework, must be considered by the respective Group Audit & Risk Committee and approved by the VisitScotland Board*. Any contract with a term exceeding 36 months will require to be considered by the respective Group Audit & Risk Committee, then approved by the VisitScotland Board and Scottish Government prior to tender.

						*Note – *2023 Cycling World Championships Board will consider procurement matters falling into this banding prior to submission to the VisitScotland Board.
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Notes:

- **Collaborative / Pre-tendered contracts** - access to existing suppliers via Scottish Government and other collaborative contracts should be considered before seeking a quote from another external source. Call-off procurements are managed through PCS as a Medium Value (Route 1) exercise, however specific legal obligations are applied to 'regulated' procurements. Please contact the Procurement team for guidance.
- **Existing contracts** may only be used with the permission of the contract owner (please refer to the contracts register on the Hub or contact the Procurement team); The Contract Purchase Agreement (CPA) tracks expenditure to ensure that the requisition value is within the limit of the contract.

 	Application to Tender for the Provision of *****	
		Date:

Tender Title:

Sponsor Department:

Goods/Services Required

Period of the contract (including extension periods)

Projected Contract Value	Forecast Operating Budget (per annum).	
	Forecast Income (per annum) where appropriate	
	Value for Money Savings (per annum)	
	Contingency Allowance (per annum)	
	Total Contract Value (including all extension periods) Net of Savings	

1.0 Existing Contract

Please delete as appropriate

Is this tender for a repeat purchase	Yes	No
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If the answer to the above is yes, please state the name of the incumbent supplier, the existing Contract Reference No. and the contract expiry date

Supplier	
Contract Ref	
Expiry Date	

2.0 Planning Provision

Please delete as appropriate

Is the proposal included in an approved ABC	Yes	No
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If Yes, please provide the name of the respective ABC.

If No, please provide a detailed justification for exclusion from an ABC

 	Application to Tender for the Provision of *****	
		Date:

3.0 Procurement Route

Please outline the planned procurement route (to be completed in conjunction with the Procurement Team)

4.0 Summary of Project / Outputs

Please outline the project requirements detailing how this contract supports Operational Plan

key questions to consider when preparing the application:

- Is this the best use of my money as a taxpayer?
- Is this something that is really needed?
- Is this something that could be done more efficiently?
- If I do this differently could I get a better result?
- Could others deliver this better?
- Please outline the project requirements highlighting the key benefits

- Please outline the project requirements highlighting the key benefits.

Project Specific Requirements – to be completed prior to submission of the Application to Tender

5.1 Personal Data

Will there be personal data shared as part of this contract. If the answer is ‘Yes’, please discuss your requirements with the Data Protection Officer and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

5.2 Architecture and Design Board (ADB)

The ADB involves the team leaders from IT, Design, Digital Delivery to discuss project design proposals, ideas for new technology, proposals for new projects and major technology decisions. For any new projects or technology decisions have you discussed these with the ADP? If the answer is ‘Yes’, please detail: the date of the discussion, the outcomes and agreed action plan in the table below.

 	Application to Tender for the Provision of *****	
		Date:

If the answer is 'No', please provide details as to why this wasn't required.

5.3 Programme Delivery Board (PDB)

The PDB has representatives from across the busines to consider dependencies, resources and delivery schedules in an up to date project list. This forum is a 'one stop shop' - the place to go if a member of staff has an idea or a project needs initial advice or support. For any new project decisions, have you discussed these with the PDB? If the answer is 'Yes', please detail: the date of the discussion, the outcomes and agreed action plan in the table below.

If the answer is 'No', please provide details as to why this wasn't required.

5.4 Cyber Resilience

If the requirement is for digital technologies, please discuss your requirements with the Digital Development Team. It is possible that the requirement may require you to apply the Cyber Security Assessment Tool. Please confirm that this matter has been discussed, and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

5.5 Cloud Assessment

If the requirement is for digital technologies, please discuss your requirements with IT. If the technology is Cloud-based, then it is possible that the requirement may require you to Cloud Assessment as part of the procurement exercise. Please confirm that this matter has been discussed, and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

 	Application to Tender for the Provision of *****	
		Date:

5.6 Digital Standards and Accessibility

If the requirement is for website development and/or software, please discuss your requirements with the Digital Development Team and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

5.7 Health and Safety

Does the contract to be tendered rely on contractors gaining access to VisitScotland premises? If the answer is ‘Yes’, discuss your requirements with the Health & Safety Manager and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

5.8 Fair Work First

If the contract to be tendered relies on contractor or sub-contractor resource to deliver the contract, then consideration must be given to Fair Work First? Please discuss your requirements with Procurement and detail: the date of the discussion, the outcomes and agreed action plan in the table below.

5.9 Climate

If the contract to be

5.10 Equality Impact

If the contract to be

6.0 Sustainability (to be completed in conjunction with Procurement)

To align with the duties of the Procurement Reform Act 2014, please summarise what consideration has been given to Sustainability. Specifically, how can the contract:

a) improve the social, environmental, and economic wellbeing of the area in which it operates
b) facilitate the involvement of small and medium enterprises, third sector and supported businesses in the procurement process, and;
c) promote innovation

7.0 Market Intelligence (to be completed in conjunction with Procurement)

Please outline what level of market intelligence has been conducted to inform the specification and route to market, including associated risks:

8.0 Value for Money Savings

Please outline how value for money savings will be delivered within the period of the contract, providing cash or efficiency savings values and rationale for the figures offered.

9.0 Award Criteria

Please determine the award criteria that will be applied to select the most suitable qualified supplier(s) to be taken forward to research.

Award Criteria	Weighting
1. Cost	40%
2. Technical (including sustainability)	60%

The award criteria (shall be evaluated subject to the following additional sub-criteria:

No.	Sub-Criteria (if required)	Weighting
2.1		
2.2		
2.3		
2.4	Sustainability	10%

10.0 Approvals

Date of LG Meeting	
Minute of LG Approval:	Accept /Reject (delete as appropriate)

Tender Title:

Sponsor Department:

Goods / Services

Period of the contract (including extension periods)

Projected Contract Value	Forecast Operating Budget (per annum).	
	Forecast Income (where appropriate)	
	Value for Money Savings against Contract	
	Allowance for Additional Activity	
	Maximum Contract Value (including all extension periods) Net of Savings	

1.0 Summary of Tender Activity

Please summarise the tender process undertaken.

2.0 Options & Risks (including Due Diligence)

Please summarise the options available for consideration and outline the merits and risks

3.0 Value for Money Savings

Please outline how value for money savings will be delivered within the period of the contract, providing cash or efficiency savings values and rationale for the figures offered.

 	Approval to Award Contract for Provision of *****	 
Appendix 3		Date:

4.0 Recommendation

Please summarise the proposed recommendation of the tender assessment group

5.0 Approval to Award Contract

Date of Meeting	
Minute of Approval:	Accept /Reject (delete as appropriate)