# Artificial Intelligence (AI)

## What is Artificial Intelligence?

The Scottish AI Alliance defines AI (Artificial Intelligence) as:

*"a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment."*

AI systems, tools and products are part of a rapidly growing and evolving market. As the availability and functionality of AI tools grows, bidders may consider, or may already be using, AI (including generative AI – please see more detail on this below) to produce their bids.

Scotland's AI Strategy (2026-2031) sets out our ambition to build on Scotland's unique strengths, delivering tangible benefits for our people, businesses and communities. It shows how government, industry and academia will work together to shape our national response, and to ensure Scotland remains in the vanguard of this new technology in the years ahead.

The use of trustworthy, ethical and inclusive AI by bidders and buyers (in accordance with their public body's policies and guidance) **is not** prohibited during the procurement process. However, your organisation should undertake proportionate actions (in accordance with your policies and guidance) to mitigate any risks and maximise any benefits which AI may present.

## Types of AI

There are several different types of AI systems that are increasingly used at present and offer a variety of applications and outputs.  You can find out more about these below:

## Generative AI

Generative AI is a subset of AI that focuses on creating new data.  Unlike AI systems that are designed for specific tasks, Generative AI system models can generate new content, such as text, images, or music, based on the prompts and input from the user at the outset.  It will gather and use information and data from many sources.

This can prove to be a useful tool for users but can also result in the information gathered containing inconsistencies or inaccuracies. As such, outputs must be carefully checked for reliability.

## Large Language Models

Large Language Models (LLMs) are a subset of Generative AI specifically focused on language-related tasks. LLMs understand and generate human-like text. An example is ChatGPT which demonstrates the capabilities of generative AI in understanding and producing natural language responses.

## Intelligent Automation

Intelligent automation (IA) refers to the use of advanced technologies such as artificial intelligence (AI), machine learning (ML), robotic process automation (RPA), and data analytics to enhance and streamline processes across the public sector. IA automates tasks, improves decision-making through data analysis, and reduces human error. This can lead to greater efficiency, transparency, and compliance, helping to deliver better public services while ensuring responsible use of resources and improved operational outcomes.

You can find out more about AI by reading the next page What Do Buyers Need to Know About AI?