

Scotland Excel

To: Executive Sub-Committee

On: 21 October 2022

Report by:
Chief Executive of Scotland Excel
Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2022/ 2023 contract delivery plan.

2. Progress to Date

Appendices 1 – 4 of this report on the 2022/ 2023 Contract Delivery Plan detail new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management activity.

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio. At present three further frameworks are being developed to be added to the portfolio in the coming year. Renewal of 26 of these frameworks will be completed before 30 June 2023 (Appendix 1).

A further 23 of the frameworks on the current portfolio have extension options that are available to be exercised in 2022/ 2023, with 19 of these extensions already being approved.

The estimated forecast value of the Scotland Excel framework portfolio is approximately £2Billion.

Overall, efficiencies created by frameworks awarded so far during 2022/2023 are benchmarked at 2.09%, which is within the forecast range. This figure does not include the additional cost management measures in place for each framework via the indexation model. This model provides data on how the framework pricing compares to market indices relevant to the commodity being sourced. This is provided to ensure Scotland Excel is able to manage pricing in volatile markets to ensure a favorable position for members.

A summary of spend and forecast savings per council between July 2021 and June 2022 can be found in Appendix 5, with an overall forecast efficiency of c.1.44%.

In addition to the activity detailed in Appendices 1 - 4, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams. In order to create capacity to add new activities to the portfolio and support strategically significant areas of spend, a consolidation of the existing portfolio is underway. This means some existing frameworks within related markets are being considered for merger and some lower value frameworks will not be renewed.

Social Care

Following the most recent re-opening of the flexible framework for care and support services, 20 new providers (24 services) have successfully joined the framework. For the newly awarded providers, two framework mobilisation sessions were held on 26 May and 30 May. In addition, two refresher sessions were held with current framework providers on 24 and 28 June. Commissioners have been informed that the newly appointed providers were awarded to the framework on 22 April 2022 and one single provider from 29 April 2022 following further checks.

The tender for the 3rd generation framework for Social Care Agency Workers was published on 24 May 2022 and approved at the Executive Sub Committee in September 2022. Following extended consultation with the User Intelligence Group, the framework has retained many elements of the previous arrangement with amendments to the structure of the lots, care roles, simplifying ordering procedures and modification of the evaluation methodology.

Phase 1 of the Residential Rehabilitation Project, commissioned by the Scottish Government to provide market research and analysis and commissioning options for residential rehabilitation services is nearing completion. Options are now being discussed with the Scottish Government. Scotland Excel requested information from commissioners about contracting and commissioning arrangements and future options via a questionnaire to Alcohol and Drug Partnerships (ADPs) and a more detailed template to Health and Social Care Partnership Contracts and Commissioning teams.

The approach was modified to reduce the amount of information requested from ADPs on advice from the Scottish Government. Letters to Integrated Joint Boards, Chief Officers and councils' Heads of Procurement were sent to advise them of the work. Spend per ADP is available from publicly available data.

A Prior Information Notice and questionnaire for providers/services was issued and links published on Twitter and LinkedIn, as well as direct communications to known providers. The closing date for both surveys was 22 July 2022, this was extended to allow follow up with ADPs, commissioners and providers.

The redesign process of the National Care Home Contract (NCHC) has now started. Review of the redesign strategy will continue in order to encapsulate guidance and legislation that has a direct impact on the contract. As expected, when working across multiple agencies and individual groups, there has been a "settling in" period for the process which may have an impact on the projected timeline of March 2023 for completion. This will continue to be monitored and assessed by Scotland Excel.

Scotland Excel has been consulting with key stakeholders in relation to future plans for the national framework for Children's Residential Care & Education. The renewal tender was published in May this year and the new framework is scheduled to go live in October 2022. The renewal framework reflects the feedback received from providers and councils to create a streamlined process that reduces the administrative burden on providers whilst increasing the information sharing and transparency around services and fees.

The renewal framework also features continuing care services, which reflects the policy direction of supporting children and young people in placements over a longer time period, where it is appropriate to do so.

Construction, Transport and Environmental Services

Since the last update on the Contract Delivery Plan, a framework focused on development of Scotland's Electric Vehicle Charging Infrastructure has been awarded. Mobilisation work is underway to ensure users of the framework are equipped with the appropriate support to enable award of works packages. The objective of the framework is to support the elimination of petrol and diesel light commercial vehicles in Scotland's public sector fleet by 2025 in line with the Scottish Government Climate Change Plans.

Scotland Excel awarded the second-generation Energy Efficiency Contractors Framework earlier this year which provides members with an effective method of upgrading housing stock. A launch event for the framework took place at Dynamic Earth on 26 May. The event was well attended by Scotland Excel member organisations and suppliers. The agenda introduced stakeholders to policy developers, those leading on green energy skills development and those working to bring innovation to this marketplace.

By linking together those using the framework with leads in each of these areas, the potential for fast paced retrofitting of residential and corporate properties is increased. This framework has sustainability at its core and will underpin the Scottish Government's drive for Net Zero by 2045.

Several frameworks are currently under development:

Construction Materials merges five established frameworks, using the rich pool of data on buying habits compiled over more than 10 years of facilitating the sourcing of materials. This knowledge of the market, buying habits and supplier services means we are now able to simplify the sourcing of material by offering a consolidated approach. This framework will be ready for use in Spring 2023.

Property Maintenance and Refurbishment will focus on the provision of services for the management of both domestic and non-domestic properties. This is a first-generation framework and is being developed through consultation with our members to ensure it covers a broad range of requirements. The contract owner has also worked with the national Supplier Development Programme to ensure the business community are well informed of the opportunities this framework presents. Training for businesses has been offered to ensure any companies unfamiliar with public contracting have the appropriate information to access the tender documents when issued.

Preparation for a revised approach to frameworks for Grounds Maintenance Supplies and the Purchase of Light and Heavy Plant is now underway. Strategies to improve how these frameworks are structured is being explored.

There are five frameworks which are nearing the end of the procurement process and preparations for mobilising suppliers and implementing contracts within member organisations are taking place. The recommendations for award to the Outdoor Play and Sports Equipment, Salt for Winter Maintenance and Roadstone frameworks were approved at the August Executive Sub-committee and award procedures are ongoing.

Evaluations of responses to Building Construction Consultancy and Street Lighting Materials tenders are now complete, and recommendations are submitted to the Executive Sub Committee for approval to award. All five frameworks will be available for use later this year.

The activity under the New Build Residential Construction Framework has continued to grow as our members have renewed their focus on new build housing projects. Early discussions on the needs of the next generation of this framework are underway. Members were issued a survey in May 2022 and the results are now being used to inform the lotting structure for the next generation, due to be available from August 2023.

Corporate, ICT and Operational Supplies and Services

Food price inflation continues to rise for the 13th consecutive month to 13.1% in the 12 months to August, from 12.7% in July. The increase in food and non-alcoholic beverages has predominantly risen due to the rise in the cost of oils & fats and milk cheese & eggs.

Farmers are warning of further shortages of fruit and vegetables as the recent droughts and high energy prices are further threatening production. Growers have already reduced production by 20% this year with a vegetable grower reporting their energy bills having risen to five times more than last year. EU farmers are also cutting back on production due to the soaring energy prices. Many fruit and vegetable growers have reported high operating costs outweighing profits, thus are reducing production. The EU is currently discussing an energy price cap as well as usage cap which would affect farmers growing crops that require heat over the colder months.

The current Scotland Excel Framework for Fresh Meats, Cooked Meats and Fresh Fish was due to expire in September 2022. Factors including the introduction of the Good Food Nation Bill and current volatile pricing in food, and supply issues informed the decision to approve a 6-month extension to this framework under Regulation 72. By delaying this tender Scotland Excel will be better able to develop strategy around the Good Food Nation Plans our members are required to create. Work is now underway to develop the strategy for this retender.

The Janitorial Products framework is due to go live in March 2023. A prior information notice has been issued to the market through Public Contracts Scotland and planning is under way to hold user information groups with our members.

Prior information notices have been issued through Public Contracts Scotland for upcoming tenders including First Aid Materials, Bottled Gas, Fire Safety Equipment and Commercial Catering Equipment.

Currently the ICT and Education team is developing the tender documents for the following contracts: National Shared Digital Alarm Receiving Centre (ARC), Technology Enabled Care and Fire Safety Equipment.

The team is engaged in several projects with the Scottish Local Government Digital Office. These projects include Office 365, Security Operation Centre and the Scottish Technology Asset Management Platform (STAMP) which is a central repository of data on ICT and digital solutions being used across local government.

The team regularly attends and provides procurement input for the following boards – Digital Assurance, Public Sector Innovation, the Department for Education four nations roundtable on commercial themes in schools and Telecare Steering Group. A proposal is also being developed to assist the Improvement Service with some of its key procurements for 2023.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts until June 2023

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Comments
Electric Vehicle Charging Points	20,000,000	New Contract	Aug-20	Feb-22	Apr-22	Apr-22	5.5%	Approved by Executive Sub Committee April 2022.
Personal Protective Equipment	10,000,000	Renew	Mar-21	Mar-22	Apr-22	Apr-22	2% - 4%	Approved by Executive Sub Committee April 2022
Library Books & Textbooks	14,000,000	Renew	Feb-22	Mar-22	Apr-22	Apr-22	2% - 4%	Approved by Executive Sub Committee April 2022
Digital Publications and Services	1,000,000	Renew	Feb-22	Mar-22	Apr-22	Apr-22	2% - 4%	Approved by Executive Sub Committee April 2022
Water Coolers	1,500,000	Renew	Jan-22	Apr-22	Jun-22	Jun-22	2% - 4%	Approved by Executive Sub Committee June 2022
Repair of Catering Machines	2,000,000	Renew	Jan-22	Apr-22	Jun-22	Jun-22	2% - 4%	Approved by Executive Sub Committee June 2022
Employability Services	20,000,000	New Contract	Apr-22		Jun-22	Jun-22	N/A	The Flexible DPS was published in February 2022 and is anticipated to go-live from mid-August 2022. The DPS will reopen for new applications once live.
Outdoor Play and Sports Facilities	15,000,000	Renew	Mar-21	Mar-22		Aug-22	2% - 4%	Approved by Executive Sub Committee August 2022
Washroom Solutions	14,000,000	Renew	Sep-22	Aug-22		Aug-22	2%-4%	Approved by Executive Sub Committee August 2022
Salt for winter maintenance	16,250,000	Renew	Jul-22			Oct-22	2%-4%	Approved by Executive Sub Committee August 2022
Roadstone	5,000,000	Renew	Jul-22			Oct-22	2%-4%	Approved by Executive Sub Committee August 2022
Children's Residential	158,300,000	Renew	Mar-22			Oct-22	n/a	Approved by Executive Sub Committee August 2022
Social Care Agency	20,000,000	Renew	Sep-22			Sep-22	n/a	Approved by Executive Sub Committee September 2022

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Comments
Contracts Planned for Approval at future Executive Sub Committees								
October 2022 Executive Sub Committee								
Building Construction Consultancy	18,750,000	New Contract	May-21	Mar-22		Oct-22	2% - 4%	Initially merged with Engineering Consultancy but timing delayed due to separate service offering. Tender evaluation ongoing.
Street Lighting Materials	35,000,000	Renew	Aug-22	Sep-22		Oct-22	2%-4%	Tender responses under evaluation. Will be presented to October 2022 meeting of Executive Sub Committee for approval.
November 2022 Executive Sub Committee								
First Aid Materials	2,000,000	Renew	Sep-22	Sep-22		Nov-22	2%-4%	Prior Information Notice Issued. Strategy under development
December 2022 Executive Sub Committee								
Technology Enabled Care Goods	9,000,000	Renew	Dec-22			TBC	2%-4%	Prior Information Notice Issued. Tender documents under review, presentation at Executive Sub Committee to be confirmed
January 2023 Executive Sub Committee								
Property Maintenance and Refurbishment	75,000,000	New Contract	Dec-22			Jan-22	2%-4%	Tender development.
Fire Safety Products	2,500,000	Renew	Apr-22			Jan-22	2%-4%	Prior Information Notice Issued. Strategy under development
Janitorial Products	12,000,000	Renew	Jan-22				2%-4%	Prior Information Notice Issued. Strategy under development
February 2023 Executive Sub Committee								
Fresh Meats, Cooked Meats and Fresh Fish	40,000,000	Renew	Sep-22	Jan-23		Feb-23	2%-4%	Strategy in development, to be extended under Regulation 72 due to current market volatility and awaiting outcomes of the good food nation bill
National Shared Digital Alarm Receiving Centre	1,000,000	New Contract	Aug-22			Feb-23		In development
Audio Visual Equipment	7,500,000	Renew	Mar-23	Mar-22		Feb-23	2%-4%	Prior Information Notice Issued. Strategy under development

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Comments
Contracts Planned for Approval at future Executive Sub Committees								
March 2023 Executive Sub Committee								
Grounds Maintenance Equipment	6,000,000	Renew	Mar-23				2%-4%	In development. Consultations on structure of the tender have begun
Light & Heavy Plant	10,000,000	Renew	Mar-23				2%-4%	In development. Consultations on structure of the tender have begun
Commercial Catering Equipment	4,000,000	Renew	Oct-22			Mar-23	2%-4%	Prior Information Notice Issued. Strategy under development
2023/24 Executive Sub Committees								
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%	Pending
Cleaning Equipment	2,000,000	Renew	Mar-23			TBC	2%-4%	Opportunity Assessment to be undertaken to confirm requirements/spend
Bottled Gas	2,000,000	Renew	Nov-21	Not being renewed		TBC	2% - 4%	Decision not to renew reviewed, will be retendered. Prior Information Notice Issued July 2022. Strategy under development
Road Maintenance Materials	2,500,000	Renew	Sep-22	Jan-23		Apr-23	2%-4%	Regulation 72 extension approved until March 2023 to align with merged Construction Materials renewal.
Road Signage	1,250,000	Renew	Nov-22				2%-4%	Opportunity Assessment to be undertaken to confirm requirements/spend
New Build Construction	375,000,000	Renew	Jun-23					Second generation framework being developed for renewal in August 2023.
Hot Beverages	1,000,000	Renew	Dec-22	Not being renewed		Not being renewed	2%-4%	Not being renewed
Energy Advice	1,000,000	Renew	Dec-22	Not being renewed		Not being renewed	2%-4%	Not being renewed. Services now available through Energy Efficiency Contractors
Vending Machines	1,000,000	Renew	Mar-23	Not being renewed		Not being renewed	2%-4%	Not being renewed
Construction Materials	70,000,000	Renew	Apr-23				2%-4%	Strategy development.
Trade Materials	10,000,000	Renew	Feb-22			Apr-23	2% - 4%	Regulation 72 extension approved until March 2023 to align with launch of merged Construction Materials renewal.
Asbestos related works and services	12,000,000	Renew	Jul-23				2%-4%	Pre-strategy consultations have begun.

Appendix 2 – Flexible Contracts

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	In Progress	Re-opening of the flexible framework for care and support services, 20 new providers (24 services) have successfully joined the framework. It is anticipated that successful new providers will be able to offer services under the framework from 22 April 2022. One single provider from 29 April 2022 following further checks.
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	TBC	The survey findings have indicated that there was sufficient interest to initiate discussions at a future User Intelligence Group (UIG) to further develop the framework and reopening pending market consultation.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	In Progress	The tender for the 3rd generation framework was published on 24 May 2022. The tender closed on 30 June 2022 and is at the final stages of the evaluation process with the new framework anticipated to be in place for early November 2022.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Employability Services	£20,000,000	Flexible Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS

Appendix 3 – Contracts with extension options and contract management activity ongoing until June 2023

Contract Description	Est Annual Value
Boiler Maintenance	£10,000,000
Grounds Maintenance Equipment	£6,000,000
Groceries and Provisions	£30,000,000
Fresh Bread Rolls and Bakery Products	£1,500,000
Fresh Fruit and Vegetables	£1,500,000
Hot Beverages (OSS)	£1,000,000
Energy Advice (OSS)	£1,000,000
Vending Machines (OSS)	£1,250,000
Cleaning Equipment (OSS)	£2,250,000
Alcoholic Beverages (OSS)	£1,250,000
Sheriff Officers (OSS)	£1,100,000
Technology Enabled Care	£6,300,000
Demolition Services	£18,000,000
New Build Residential Construction	£375,000,000
Catering Sundries	£6,000,000
Community Meals	£4,000,000
Building and Timber	£15,000,000
Electrical Materials	£20,000,000
Plumbing and Heating Materials	£22,500,000
Salt for Winter Maintenance	£16,250,000
Secure Care Services	£17,500,000
Street Lighting Materials	£35,000,000
Roads Maintenance Materials	£2,500,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity before June 2023

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Bitumen Products	£12,000,000	Security Services and Cash Collection	£12,500,000
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Vehicle Parts	£12,000,000	Vehicle Purchase RM6060	£10,000,000
Fostering and Continuing Care	£34,000,000	Waste Disposal Equipment	£1,250,000
Organic Waste	£12,000,000	Supply Teacher Booking System	£300,000
Engineering and Technical Consultancy	£17,125,000	Domestic Furniture and Furnishings	£26,000,000
Energy Efficiency Contractors	£200,000,000	Heavy Vehicles	£25,000,000
Tyres for Vehicles and Plant	£6,500,000	Recycle and Refuse Containers	£12,500,000

Appendix 5 – Expenditure summary per Council: July 2021 – June 2022

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend	Sum of Estimated Saving	% Saving
South Lanarkshire Council	£38,996,896	£74,060,120	52.7%	5.85%	£289,819	0.74%
Glasgow City Council	£38,629,775	£49,626,510	77.8%	5.80%	£697,983	1.81%
Fife Council	£38,052,952	£117,000,617	32.5%	5.71%	£484,745	1.27%
Associate Members	£37,494,649	£62,740,804	59.8%	5.63%	£783,732	2.09%
Aberdeen City Council	£36,806,646	£35,889,690	102.6%	5.52%	£579,607	1.57%
The City of Edinburgh Council	£35,664,652	£34,479,688	103.4%	5.35%	£480,568	1.35%
Aberdeenshire Council	£34,451,401	£38,087,473	90.5%	5.17%	£221,830	0.64%
West Lothian Council	£32,623,230	£28,746,098	113.5%	4.89%	£429,315	1.32%
Falkirk Council	£30,488,149	£47,484,253	64.2%	4.57%	£848,289	2.78%
North Lanarkshire Council	£30,243,228	£61,259,601	49.4%	4.54%	£508,546	1.68%
North Ayrshire Council	£26,873,422	£51,863,487	51.8%	4.03%	£456,949	1.70%
West Dunbartonshire Council	£25,584,923	£28,511,422	89.7%	3.84%	£536,061	2.10%
The Highland Council	£23,863,727	£28,945,743	82.4%	3.58%	-£21,761	-0.09%
Dundee City Council	£20,242,642	£22,453,567	90.2%	3.04%	£247,501	1.22%
Renfrewshire Council	£20,024,442	£41,102,178	48.7%	3.00%	£402,831	2.01%
East Lothian Council	£15,970,211	£13,126,852	121.7%	2.40%	£283,176	1.77%
Dumfries and Galloway Council	£15,065,493	£13,700,908	110.0%	2.26%	£186,057	1.23%
Stirling Council	£14,182,886	£9,706,537	146.1%	2.13%	£114,922	0.81%
South Ayrshire Council	£13,910,156	£20,302,544	68.5%	2.09%	£134,695	0.97%
Scottish Borders Council	£12,701,815	£13,538,344	93.8%	1.91%	-£43,767	-0.34%
Perth and Kinross Council	£12,625,572	£12,255,311	103.0%	1.89%	£256,393	2.03%
East Ayrshire Council	£12,352,348	£15,829,852	78.0%	1.85%	£307,745	2.49%
East Dunbartonshire Council	£11,541,464	£11,167,820	103.3%	1.73%	£136,229	1.18%
Tayside Contracts	£11,357,620	£8,974,637	126.6%	1.70%	£41,249	0.36%
Argyll and Bute Council	£11,114,070	£9,791,421	113.5%	1.67%	£187,954	1.69%
Clackmannanshire Council	£10,850,530	£13,108,054	82.8%	1.63%	£164,723	1.52%
East Renfrewshire Council	£10,619,082	£12,304,710	86.3%	1.59%	£300,784	2.83%
Midlothian Council	£9,654,028	£11,217,878	86.1%	1.45%	£62,206	0.64%
Inverclyde Council	£9,226,131	£7,869,088	117.2%	1.38%	£349,991	3.79%
Angus Council	£9,077,425	£20,531,843	44.2%	1.36%	£85,326	0.94%
The Moray Council	£8,461,378	£27,216,727	31.1%	1.27%	£45,042	0.53%
Orkney Islands Council	£3,177,637	£1,773,797	179.1%	0.48%	-£5,297	-0.17%
Shetland Islands Council	£2,598,968	£2,621,428	99.1%	0.39%	-£8,588	-0.33%
Comhairle nan Eilean Siar	£1,959,815	£4,085,819	48.0%	0.29%	£61,061	3.12%
Total	£666,487,362	£951,374,821	70.1%	100.00%	£9,605,915	1.44%