

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 June 2022	11:45	Remotely by MS Teams,

Present

Councillor Brenda Durno (Angus Council); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Gary Robinson (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Ryan Thomson (substitute for Councillor Dennis Leask) (Shetland Islands Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, L Campbell, Corporate Services Manager, M Robertson, Marketing & Communications Manager, L Richard, Strategic Procurement Manager, E MacLuskie and N Howie, both Procurement Coordinators, Z Shankley, Project & Account Manager, J McKenzie, Assistant Category Manager, G Maxwell, Procurement Coordinator, E Hay, Strategic Procurement Manager and K Forrest, Office Manager, (all Scotland Excel); and M Conaghan, Head of Corporate Governance (Clerk), C McCourt, Head of Finance & Business Services, K Campbell, Assistant Chief Internal Auditor, K Fistorazzi, Principal Accountant, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Kenny Macleod (Comhairle nan Eilean Siar) and Councillor Peter Henderson (South Ayrshire Council).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

1 **Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 22 April 2022.

DECIDED: That the Minute be approved.

2 **Revenue Budget Monitoring Report**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2021 to 31 March 2022.

The report intimated that Scotland Excel operated a core and project budget methodology and that core budgeting represented the primary activities of Scotland Excel which were traditionally wholly funded through member requisitions. In June 2018, the Joint Committee approved a funding model proposal whereby Scotland Excel would generate income through additional income streams being, consultancy services; new build housing; learning and development; rebates; and associate membership expansion. It was noted that financial reporting for these income streams was reported under project budget reporting and that project reserves were ring-fenced reserves for on-going project delivery.

The report advised that at the end of the financial year 2021/22, Scotland Excel recorded a small operating deficit of £1,000 in its core activities and Appendix 1 to the report provided the revenue budget monitoring statement for the period and included a summary of movement in the revenue reserves. The significant variations to budget were highlighted in section 4.3 of the report. Appendix 2 to the report provided a summary of the 2022/23 operating budget and section 5.2 of the report outlined the key assumptions used in developing these projections.

DECIDED: That the report be noted.

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Councillor Thomson joined the meeting prior to consideration of the following item of business.

3 **Internal Audit Annual Report 2021/22**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit annual report on Scotland Excel 2021/22.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The annual report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the internal audit team, the main findings from the internal audit work undertaken in 2021/22 and contained an audit assurance statement.

DECIDED: That the Internal Audit annual report 2021/22 be noted.

4(a) **Contract for Approval Repair and Maintenance of Catering Equipment**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the repair and maintenance of catering equipment for the period 7 May 2022 until 30 April 2025, with the option to extend for one 12-month period until 30 April 2026. It was noted that subject to approval and completion of a standstill period, the framework was intended to commence on 1 July 2022.

The framework would provide councils and associate members with a mechanism to procure repair and maintenance services for commercial gas, electrical and refrigeration catering equipment.

The report summarised the outcome of the procurement process for the framework which had been divided into three lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised at a total value of £1.5 million per annum, which equated to an estimated spend of £6 million over the maximum four-year term of the framework and Appendix 1 to the report detailed the participation, spend and savings summary of those councils and associate members participating in the framework.

Tender responses had been received from 10 suppliers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers had been carried out and Appendix 3 to the report confirmed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 10 suppliers across the three lots, as outlined in Appendix 3 to the report.

It was noted that there was a minor name correction to one name shown in Appendices 2, 3 and 4, in that any reference to C & M Environment Limited should read C & M Environment Limited Limited.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage.

The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class D in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-supplier framework for the repair and maintenance of catering equipment, as detailed in Appendix 3 to the report, noting the name change referred to above, be approved.

Declaration of Interest

At this point in the meeting, Councillor Robinson declared an interest in item 4(b) for the reason that his company was a customer of one of the suppliers. Councillor Robinson indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item.

4(b) **Contract for Approval - Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the supply, delivery, installation and maintenance of water coolers and associated consumables for the period 7 July 2022 to 6 July 2025, with the option to extend for a period of up to 12 months until 6 July 2026.

The framework would provide stakeholders with a mechanism to purchase and rent a range of water coolers including free standing bottled water coolers and plumbed water coolers as well as associated maintenance and sanitisation services.

The report summarised the outcome of the procurement process for the framework which had been divided into three lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised at a total value of £1 million per annum, which equated to an estimated spend of £4 million over the maximum four-year term of the framework and Appendix 1 to the report detailed the participation, spend and savings summary of those councils and associate members participating in the framework.

Tender responses had been received from seven suppliers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers had been carried out and Appendix 3 to the report confirmed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to six suppliers across the three lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage.

The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class D in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-supplier framework for the supply, deliver, installation and maintenance of water coolers and associated consumables, as detailed in Appendix 3 to the report, be approved.

4(c) **Employability Services Flexible Dynamic Purchasing System**

There was submitted a report by the Chief Executive of Scotland Excel seeking approval for the establishment of a new Dynamic Purchasing System (DPS) for employability services, which the Chief Executive of Scotland Excel had elected to establish in terms of Contract Standing Order 28 and also for the Chief Executive of Scotland Excel to be granted the appropriate delegation to appoint new entrants to the DPS during its lifetime, as detailed in the report. It was noted that, subject to completion of the standstill period, the flexible DPS was intended to take effect on or around 1st July 2022.

The report intimated that employability services comprised a range of local and national provision that supported individuals to move closer to, enter, sustain and progress in employment and that these services were provided across all local authority areas in Scotland. The services were designed to be flexible and based on the needs of the end-user with the aim to help people to access the most relevant support on their journey towards work. Further, that this procurement exercise had been conducted by Scotland Excel on behalf of councils and had been funded and sponsored by the Scottish Government and the Improvement Service as part of the implementation of the No One Left Behind (NOLB) programme, which aimed to change the employability system in Scotland to make it more adaptable, responsive and person-centred.

The report advised that currently, employability services were delivered by local authorities alongside nationally provided services which were funded by the Scottish Government. In March 2022, funding moved from national to local governance via local authorities as lead accountable bodies. Local authorities would now manage the funding on behalf of the Local Employability Partnerships who would agree the investment priorities as part of a Local Delivery Plan.

The report noted that the flexible DPS had been divided into four service categories and the report detailed the procurement process for this DPS. It was noted that the request to participate document had been downloaded by 244 organisations with 151 responses received, as detailed in Appendix 1 to the report.

Based on the evaluation undertaken, and in line with the advertised requirements summarised in the report, it was recommended that a flexible DPS arrangement be established with 130 suppliers as detailed in Appendix 2 to the report. Appendix 3 to the report detailed the service categories and geographical sub-categories.

DECIDED:

(a) That the flexible DPS be established in accordance with the recommendations detailed in Appendix 2 to the report;

(b) That delegated authority be granted to the Chief Executive of Scotland Excel, or the Head of Procurement in the Chief Executive's absence, to approve the evaluation outcome of any new entrants that completed the qualification process for entry to the flexible DPS throughout its validity period in accordance with the published DPS conditions and in compliance with the applicable law; and

(c) That the Executive Sub-committee be updated on the status of admitted service providers on an annual basis as part of the annual procurement report.

5(a) **Request for Associate Membership: 2023 Cycling World Championships Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that 2023 Cycling World Championships Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by 2023 Cycling World Championships Limited to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

5(b) **Request for Associate Membership: Scotrail Trains Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Scotrail Trains Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Scotrail Trains Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,500, be approved subject to completion and signing of the agreement documentation.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 19 August 2022.