

Scotland Excel

To: Executive Sub-Committee

On: 15 March 2024

**Report by:
Chief Executive of Scotland Excel**

Tender: Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement

Schedule: 01/23

Period: 48 months (if all extension options are exercised)

1. Introduction and Background

The proposed Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement will enable purchasers to source residential rehabilitation services for people experiencing problematic use of alcohol and/or drugs, to support their recovery.

One of the five priorities of the national initiative to reduce harm and deaths related to problem use of alcohol and drugs is to increase capacity and improve access to residential rehabilitation. In May 2022, the Scottish Government funded Scotland Excel to explore and develop a national approach to commissioning residential rehabilitation services.

Residential rehabilitation services “*aim to support individuals to attain an alcohol and drug-free lifestyle and be re-integrated into society. They provide intensive psychosocial support and a structured programme of daily activities which residents are required to attend over a fixed period of time.*” (“Residential Rehabilitation Working Group: recommendations on drug and alcohol residential treatment services.” The Scottish Government, December 2020).

People affected by problem alcohol and/or drug use may have a complex range of issues including mental or physical health issues, domestic abuse and adverse childhood or adult experiences. Residential rehabilitation services may be part of a journey to recovery which has many stages and support elements, and which will be individual to each person. A key element of services is peer support from other people attending the rehabilitation service, staff and volunteers with lived experience.

Service providers offering these services are mainly third sector, and mostly small and medium sized-enterprises (SMEs).

There is a wide diversity of types and models of rehabilitation services, including supported accommodation or housing support models, care homes, and private hospitals.

The proposed framework agreement will provide a new national purchasing and contracting arrangement to support national objectives, priorities and ongoing improvement work in Scotland. It has been developed taking into account the views and contributions of a wide range of partners and stakeholders, including people with lived experience, and is a first step in supporting national development of commissioning arrangements for these services, promoting a partnership approach for future learning. It aims to be inclusive and supportive of diversity of services to facilitate as much choice as possible.

The duration will be for an Initial Period of two years from the Commencement Date, with the option to extend on two occasions each for a period of up to one year (up to a maximum Duration of four years). Subject to approval and completion of a standstill period, the framework agreement is intended to commence on 1 April 2024. The proposed scope covers services located in Scotland, for people aged 16 and over.

The services covered by the proposed framework agreement fall within the “Social and Other Specific Services” category as defined in Schedule 3 of the Public Contracts (Scotland) Regulations 2015 and therefore the flexibilities under the ‘light touch’ procurement regime can be applied. A “flexible” framework agreement was proposed to enable growth and the admission of new entrants, and it is intended that the flexible framework agreement will be open to new entrants continuously once established. Providers on the flexible framework agreement will also be able to add new services and vary their service offerings. The flexibilities and variations permitted under the framework are further summarised in section 3, Procurement Process, below.

2. Scope, Participation and Spend

The proposed flexible framework agreement will be open to all 32 councils and 14 NHS health boards as purchasers. It is anticipated that all council and Alcohol and Drug Partnership (ADP) areas will use the flexible framework agreement. The Scottish Prison Service and the Scottish Government have been included as potential purchasers to allow for potential future changes in commissioning.

Council participation is detailed in Appendix 1 (Participation Summary).

The advertised value of the proposed flexible framework agreement is approximately up to £60,000,000 over the four-year period.

As this is a new arrangement and spend data has not been consistently recorded for these services, this is an estimated maximum figure based on available information, to ensure that there is sufficient capacity within the Flexible Framework Agreement to accommodate any unforeseen peaks in demand.

The proposed flexible framework agreement is not divided into lots. This reflects the individuality and diversity of services and is proportionate to the characteristics of the market.

3. Procurement Process

Strategy Development

The strategy and framework documentation were developed through engagement with provider organisations and commissioning and contracting leads from purchasers, along with a number of other stakeholders including people with lived experience and families, third sector organisations, the Care Inspectorate, Healthcare Improvement Scotland (HIS), Public Health Scotland (PHS), the Residential Rehabilitation Development Working Group and the Scottish Government.

a) Purchasers

Research for the initial market research phase of the project was conducted via questionnaires and discussions during July and August 2022 with commissioning and contracting leads from purchasers. Information was sought regarding current commissioning and contracting arrangements and views about national commissioning.

A User Intelligence Group (UIG) was established in February 2023, with invitations issued to all commissioning and contracting leads from purchasers. Meetings of the UIG were held on 17 February 2023, 31 March 2023 and 12 May 2023, attended by between 33 and 39 people. Contacts from the Care Inspectorate and HIS, Scottish Government, PHS and COSLA were also invited, and also representatives from the Scottish Recovery Consortium, and Scottish Families Affected by Alcohol & Drugs, to provide additional perspectives from people with lived experience and families. Discussion at these meetings focused on the design of the framework agreement and procurement strategy, and how best to support consistency and service quality as well as allowing flexibility and diversity of choice for individuals. The views of the UIG informed the strategy and service design.

A technical group was convened as a sub-group of the UIG to assist with more detailed design of the service specification, terms and conditions/key areas of contract documents, pricing and pricing template, and with the evaluation process.

b) Providers

To aid strategy development, information and opportunities to participate in engagement processes were distributed as widely as possible via social media and partner organisations further to the publication of a series of Prior Information Notices (PIN). These were published on the Public Contracts Scotland System in accordance with Regulation 41, preliminary market consultation, of the Public

Contracts (Scotland) Regulations 2015, and comprised three exercises, detailed below:

Firstly, a PIN was published on 11 July 2022 to invite interest from current and potential service providers to help ascertain, via completion of an online questionnaire, market interest and to inform the appraisal of national commissioning options.

A second phase of engagement was launched with a second PIN published on 30 January 2023 and an invitation to an Information Session on 10 February 2023. Providers were invited to provide feedback and views via completion of an online survey and/or participation in individual online meetings. The focus of this engagement was to gather views on the common elements of a good residential rehabilitation service, and to seek feedback on some initial areas relating to the strategy development.

A final PIN was published on 26 May 2023 and engagement was undertaken to seek views and comments from providers on the draft service specification, proposed pricing approach and proposed minimum insurance requirements.

Scotland Excel attended the Scottish Recovery and Residential Providers Group on several occasions to explain the project and gain increased understanding of the provider perspective, and the group also provided a collective response to this final phase of market consultation engagement.

c) People with lived experience

Following the Scottish Government's "Procurement of Care and Support Services: Best Practice Guidance" (June 2021), engagement with people with lived and living experience of services was undertaken to inform development of the strategy and documentation.

Engagement work was undertaken by Healthcare Improvement Scotland (HIS) on behalf of Scotland Excel with over 50 people through in-person and online discussion groups, telephone conversation and three online surveys distributed widely through networks. Those involved were people in recovery, family members and third sector organisations supporting people with problematic use of alcohol and drugs. This enabled Scotland Excel to gain information to help inform and enrich the flexible framework agreement, and themes and quotations have been embedded in the service specification document. A report of the engagement findings was produced by Healthcare Improvement Scotland. (<https://ihub.scot/improvement-programmes/housing-and-homelessness-in-healthcare/designing-and-improving-residential-rehabilitation-pathways/programme-updates/>)

Application for Admission Process

Following the conclusion of the above engagement, to reflect the flexibilities applied for this framework agreement in accordance with the Public Contracts

(Scotland) Regulations 2015, the procurement process was advertised as an “application for admission” process.

In recognition of the characteristics of the market, the procurement process was designed to reduce the administrative demands for providers in submitting an application for admission, and to streamline the evaluation process. The requirements for selection and award aid transparency and greater understanding of services and associated costs.

The Social and other Specific Services Contract Notice was published via the Find a Tender service and Public Contracts Scotland (PCS) portal on 3 November 2023. A procedure similar to the Open Procedure specified in the Public Contracts (Scotland) Regulations 2015 was used, and the application documents were immediately available via the Public Contracts Scotland Tender (PCS-T) system.

The application documents were available for 70 days and the process closed to applications for admission on 12 January 2024.

Framework Agreement – Flexibilities and Variations

The flexible framework agreement corresponded with Regulation 34 (Framework Agreements) of the Public Contracts (Scotland) Regulations 2015 but with the following variations in accordance with Regulation 76(8):

1. Once established, the flexible framework agreement will be continually open to applications for admission by new entrants;
2. Admitted providers may apply to vary the services for which they are admitted;
3. Applications for admission by new entrants will be evaluated in accordance with the timescales and procedures set out in the initial procurement documents, which follow the principles of equal treatment and non-discrimination; and
4. The procedures for the award of call off contracts allow for appropriate matching processes, as set out in the flexible framework agreement.

All applications were evaluated against the published selection criteria, including the Single Procurement Document (SPD), and award criteria, concurrently.

The award criteria included technical and commercial sections and were weighted toward the technical (quality) criteria. The published award criteria weightings were:

Technical: 90%

Commercial: 10%

An evaluation process assessed applicants against the established award criteria. In order to be eligible for award applicants were required to pass the minimum standards of bidder selection which were assessed using the Single Procurement Document (SPD).

The published selection criteria included requirements for services to be registered with the Care Inspectorate and/or Healthcare Improvement Scotland (as appropriate), and to have formal confirmation from the Scottish Government that the provider's rehabilitation service(s) met the Scottish Government's national definition of residential rehabilitation (as set out in the Scottish Government's publication "Residential Rehabilitation Working Group: recommendations on drug and alcohol residential treatment services", The Scottish Government, December 2020). Along with the minimum requirements contained within the SPD, meeting national regulatory requirements provides assurance of a common standard of services.

The technical section focused on additional information about applicants' approach to services and quality, including conformance with the service specification, quality grades obtained at inspection and the approach to Fair Work First, as well as other information to help with identifying the most appropriate services for people's needs, recovery goals and circumstances. This information included a detailed description of the services offered, to reflect the diversity and individuality of services available.

Within the commercial section, applicants were invited to provide a breakdown of service costs which produced one core price (per person per week/day) for each rehabilitation service included in their offer, applicable for all areas of Scotland. Providers also had the opportunity to provide prices for purchasers' information, for detoxification services and/or medication prescribing and administration, where offered as part of the services. The main focus of the commercial section was to ensure transparency of fees, to allow for an improved understanding of costs and value for money, and more comparability between services.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus (Covid-19) pandemic and its continued impact. Scotland Excel has determined to proceed with the procurement exercise to establish the flexible framework agreement, and will monitor the situation throughout the period of the procurement exercise and will continue to take cognisance of all relevant circumstances in coming to any decision to recommend the award of flexible framework agreement placings to successful applicants.

4. Report on Offers Received

The procurement documents for the establishment of the flexible framework agreement were accessed by 40 organisations with 11 applications for admissions received. Of these, eight were small or medium-sized enterprises (SMEs). A summary of all offers received is provided in Appendix 2 (Scoring and Recommendations).

A number of providers who expressed an interest in the exercise were not previously well-known in Scotland as providers of residential rehabilitation services. This is considered a positive indicator of the benefits of the exercise, stimulating market interest to develop improved choice and availability for purchasers using the flexible framework.

As mentioned earlier, it is intended that once established, the flexible framework agreement will be continuously open for any new providers to submit applications for admission throughout its duration. This also means that any providers who are not eligible for admission on this occasion, may re-apply for admission once they meet the requirements.

Applications from two providers were not eligible for admission to the Flexible Framework Agreement at this time because they did not have formal confirmation from the Scottish Government that their rehabilitation services met the Scottish Government's national definition of residential rehabilitation. One further provider offering three services also had their submission in respect of one service excluded from their application for this reason.

All recommended providers hold quality grades of three or above allocated by the Care Inspectorate or the equivalent from Healthcare Improvement Scotland, and none had any unmet regulatory requirements from inspection.

Based on the criteria and scoring methodology set out in the published application documents, a full evaluation of the compliant offers received was completed. Appendix 2 (Scoring and Recommendations) confirms the scoring achieved by each applicant for each rehabilitation service.

5. Recommendations

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, subject to satisfactory conclusion of insurance checks, it is recommended that nine providers and 13 rehabilitation services are awarded to the flexible framework agreement from its commencement, as outlined in Appendix 2 (Scoring and Recommendations).

The recommended providers offer the best price quality ratio and comprise of a mixture of small, medium, and large organisations. The recommended rehabilitation services represent service coverage in the region of 59% of known current rehabilitation services available in Scotland. The market research undertaken in the development of this flexible framework agreement indicated that additional organisations may be interested in developing services and may therefore apply for admission in the future.

6. Benefits

Savings

Cash savings have not been identified for this flexible framework agreement because of the incompleteness of current information about pricing and spend. One of the objectives of the flexible framework agreement is to increase understanding of the costs and pricing of these services.

The information available about fees obtained through the procurement process will provide greater transparency and understanding of the financial aspects of services and future benchmarking opportunities for development of best value baseline measures. Through framework monitoring, information can be collected to support consideration of how future commissioning arrangements can improve efficiencies and value for money.

Price Stability

The flexible framework agreement makes provision for Scotland Excel to determine the mechanism for fee increases and communicate this to providers. This includes the ability to apply an automatic uplift to reflect any Real Living Wage adjustment or relevant national pay index or policy or to apply a general inflation uplift. It also includes opportunities for providers to submit additional fee review requests, which must be submitted no later than 31 December preceding the proposed date of effect of 1 April and must comply with any counter inflation legislation. This facility aims to address unforeseen cost pressures and costs associated with service variation, and to support sustainability of services.

As part of the application for admission, applicants were asked to provide a breakdown in their financial submission of the associated costs for providing the service. This information will be used when considering the appropriate uplift mechanism for the flexible framework agreement.

Sustainable Procurement Benefits

Community Benefits

Following market research in the development of the flexible framework agreement, Scotland Excel recognised that the nature of the services means that there is already an inherent focus on social wellbeing in service delivery.

Applicants were asked to confirm a voluntary commitment to discussing community benefits with purchasers and, if agreed, providing community benefits. Community Benefits in this context are those which deliver a wider social benefit in addition to the core purpose of the flexible framework agreement. This may include, but is not limited to, aspects relating to community wealth building and/or models such as a wellbeing economy. It may also include, for example, training, recruitment and work placements.

Discussions will be managed locally, between the purchaser and provider, and the type and nature of community benefit to be delivered is likely to be proportionate to the annual spend with the purchaser. Innovative community benefits are encouraged and can be discussed and agreed between the purchaser and the provider. If an agreement is made to deliver community benefits, this will be monitored by Scotland Excel during framework management.

All except one of the providers recommended for award indicated a commitment to further discussion with purchasers regarding community benefits.

Fair Work First including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is engaged in decision making.

Within the technical section of the application for admission, applicants were assessed on their approach to Fair Work First and payment of the Real Living Wage to their workforce.

Applicants were asked to describe and demonstrate how they would commit to continuing to adopt or progressing towards adopting the Fair Work First criteria for workers engaged in the delivery of the flexible framework agreement, and how they would progress towards wider practices set out in the Fair Work Convention's Fair Work Framework.

Of the nine recommended providers, eight are either accredited Real Living Wage Employers or pay the Real Living Wage, with the remaining provider making a commitment to pay all staff the Real Living Wage as detailed in Appendix 2.

Applicants were also asked to indicate how many paid staff they employ who have lived experience of alcohol and drug services. An average of 51% of the recommended providers' paid staff have lived experience.

Scotland Excel will continue to monitor Fair Work Practices, including encouraging further uptake by providers committing to paying staff the Real Living Wage, during framework and provider management activity.

Sustainability, Net Zero and Environmental Considerations

In the application for admission, applicants were asked to give details of their approach to sustainability, net zero and environmental considerations. The information collected provides a baseline to assess development needs and the potential contribution providers can make to environmental sustainability. This aspect of service delivery will be revisited in framework management and further work determined proportionate to the nature of services.

Other Benefits

Through the call off contract process and detailed information available about services, purchasers can support people to select from a wide range of services across Scotland and tailor services to individual needs and recovery goals.

In addition, as mentioned earlier in this report, the flexible framework agreement permits providers to add services at any point throughout its lifetime and apply to

vary their services, ensuring that the use of innovative and new service designs is not hindered by a closed procurement process.

Information collected in the procurement process and framework monitoring during the lifetime of the flexible framework agreement is expected to contribute to the wider national improvement programme and future design of commissioning arrangements.

7. Contract Mobilisation and Management

As part of the mobilisation process, all providers and purchasers will be offered a framework mobilisation meeting to outline the operation of the framework, including roles and responsibilities and management information. Both providers and purchasers will be issued with guidance documents containing required details on how to use the flexible framework agreement. Additional tailored individual support will be offered for purchasers and providers as required.

In accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend, this framework is classified as Class A. As such a framework management plan will be developed and agreed with Contract Steering Group following further discussion with purchasers and providers.

It is anticipated this will include:

- Convening forums for purchasers and providers to discuss operation of the framework, share good practice and learning, develop more consistency;
- Seeking information and feedback about quality of services and processes from purchasers and providers;
- Gathering/analysing monitoring information, in particular relating to price and spend and activity;
- Further review and analysis of services as identified to assist with future commissioning; and
- Annual review and reports for purchasers and providers.

The type and amount of monitoring information to be reported by providers will be considered carefully to avoid duplication with reporting required by other authorities.

New providers will be able to submit applications for admission at any point in the flexible framework agreement's lifetime, with these being evaluated in accordance with the established selection and award criteria.

8. Summary and recommendations

The Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement will offer a new opportunity for purchasers to use standard national documentation and processes for purchasing and contracting these services across Scotland. It will promote good practice and service quality improvement, provide enhanced information about services to broaden choice

and access for individuals, and will increase understanding of how efficiency and value for money can be improved.

Scotland Excel will work with stakeholders to support the operation and development of the flexible framework agreement and build on the foundation it provides.

The Executive Sub Committee is requested to approve the recommendation to award this flexible framework agreement as detailed in Appendix 2 (Scoring and Recommendations).

In addition, it is recommended:

- d) that authority be delegated to the Chief Executive of Scotland Excel (or Director of Strategic Procurement in the Chief Executive's absence) to approve recommendations following the evaluation of offers received during the lifetime of the flexible framework agreement, or following the consideration of formal requests from existing providers for the addition of new services and/or variation of existing services; and
- e) that the Executive Sub-Committee will be updated on the appointment of any new providers to the flexible framework agreement on an annual basis via incorporation to the Annual Procurement Report.

Appendices

Appendix 1 - Participation Summary

Appendix 2 - Scoring and Recommendations

Appendix 1 - Participation Summary
Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement

Member Name	Participation in Contract	Participation Entry Date
Aberdeen City Council	Yes	01 April 2024
Aberdeenshire Council	Yes	01 April 2024
Angus Council	Yes	01 April 2024
Argyll & Bute Council	Yes	01 April 2024
City of Edinburgh Council	Yes	01 April 2024
Clackmannanshire Council	Yes	01 April 2024
Comhairle nan Eilean Siar	Yes	01 April 2024
Dumfries & Galloway Council	Yes	01 April 2024
Dundee City Council	Yes	01 April 2024
East Ayrshire Council	Yes	01 April 2024
East Dunbartonshire Council	Yes	01 April 2024
East Lothian Council	Yes	01 April 2024
East Renfrewshire Council	Yes	01 April 2024
Falkirk Council	Yes	01 April 2024
Fife Council	Yes	01 April 2024
Glasgow City Council	Yes	01 April 2024
Highland Council	Yes	01 April 2024
Inverclyde Council	Yes	01 April 2024
Midlothian Council	Yes	01 April 2024
Moray Council	Yes	01 April 2024
North Ayrshire Council	Yes	01 April 2024
North Lanarkshire Council	Yes	01 April 2024
Orkney Islands Council	Yes	01 April 2024
Perth & Kinross Council	Yes	01 April 2024
Renfrewshire Council	Yes	01 April 2024
Scottish Borders Council	Yes	01 April 2024
Shetland Islands Council	Yes	01 April 2024
South Ayrshire Council	Yes	01 April 2024
South Lanarkshire Council	Yes	01 April 2024
Stirling Council	Yes	01 April 2024
West Dunbartonshire Council	Yes	01 April 2024
West Lothian Council	Yes	01 April 2024
Tayside Contracts	Yes	01 April 2024

Appendix 2 – Scoring and Recommendations

<u>APPLICANT LEGAL NAME</u>	<u>SME STATUS</u>	<u>REAL LIVING WAGE STATUS</u>	<u>LOCATION</u>	<u>NUMBER OF REHABILITATION SERVICES BID FOR</u>	<u>NUMBER OF REHABILITATION SERVICES RECOMMENDED</u>	<u>OVERALL RECOMMENDATION STATUS</u>	<u>REHABILITATION SERVICE NAME</u>	<u>COMMERCIAL SCORE</u>	<u>TOTAL TECHNICAL SCORE</u>	<u>FINAL SCORE</u>	<u>RECOMMENDED FOR AWARD FOR REHABILITATION SERVICE?</u>
Abbeycare(UK) Limited	Small	1	Erskine	1	1	SUCCESSFUL	Abbeycare (UK)	10.00	55.00	65.00	Y
Alternatives West Dunbartonshire CDS	Small	4	Dumbarton	1	1	SUCCESSFUL	Alternatives Safe As Houses Residential Recovery Project	10.00	55.00	65.00	Y
Castle Craig Hospital Limited	Medium	4	West Linton	1	1	SUCCESSFUL	Castle Craig Hospital	10.00	75.00	85.00	Y
CrossReach (The Social Care Council of The Church of Scotland, Operating as CrossReach)	Large	5	Edinburgh	2	2	SUCCESSFUL	CrossReach Abstinence Recovery Service	10.00	55.00	65.00	Y
							Beechwood House	10.00	55.00	65.00	Y
Maxie Richards Foundation	Micro	4	Tighnabruaich	1	1	SUCCESSFUL	Maxie Richards Foundation	10.00	70.00	80.00	Y
Penumbra	Large	2	Edinburgh	1	0	UNSUCCESSFUL	Penumbra Milestone	*N/A	*N/A	*N/A	N
Phoenix House	Large	1	London	3	2	PART SUCCESSFUL	Phoenix Futures Care Home	10.00	15.00	25.00	Y
							Phoenix Futures Glasgow Resettlement Service	*N/A	*N/A	*N/A	N
							Phoenix Futures National Specialist Family Service, Harper House	10.00	55.00	65.00	Y
RAM 225 Limited	Small	2	Blantyre	1	1	SUCCESSFUL	Calderglen House	10.00	55.00	65.00	Y
Tanshe Limited	Small	4	Edinburgh	1	0	UNSUCCESSFUL	Tanshe Care Services	*N/A	*N/A	*N/A	N
The Haven Kilmacolm	Small	4	Kilmacolm	1	1	SUCCESSFUL	The Haven Kilmacolm	10.00	55.00	65.00	Y
The Jericho Benedictine Society	Small	2	Kilbarchan	3	3	SUCCESSFUL	Jericho House, Bank Street (Male service)	10.00	55.00	65.00	Y
							Jericho House, Dundee (Male service)	10.00	55.00	65.00	Y
							Jericho House, Shankland Road (Female service)	10.00	55.00	65.00	Y
							* Not scored - Qualification requirement not met				

KEY – *Real Living Wage Status Reference and Descriptions*

Real Living Wage Ref.	Description
1	I am an accredited Living Wage Employer.
2	I am currently going through the process of becoming an accredited Living Wage Employer and commit to gaining accreditation over the initial two year period of the Framework Contract.
3	I am not an accredited Living Wage Employer but commit to gaining accreditation over the initial two year period of the Framework Contract.
4	I am not an accredited Living Wage Employer but pay the Living Wage to all employees (except volunteers, apprentices and interns).
5	I am not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees (except volunteers, apprentices and interns) but commit to paying the Living Wage to all employees (except volunteers, apprentices and interns) within the initial two year period of the Flexible Framework Agreement.
6	I am not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees.

Scotland Excel

To: Executive Sub-Committee

On: 15 March 2024

**Report by:
Chief Executive of Scotland Excel**

Tender: Supply and Delivery of Road Signage Materials

Schedule: 22/22

Period: 48 months (if all extension options are exercised)

1. Introduction and Background

This recommendation is for the award of the fourth-generation renewal framework for the Supply and Delivery of Road Signage Materials.

This framework will provide a mechanism for councils to procure a range of road signage materials, which will include but is not limited to permanent road signage, temporary road signage, signposts, electrical road signage, and associated products.

This framework was advertised for a period of up to 48 months, comprising an initial period of 24 months from the commencement date with an option to extend for up to a further two 12-month periods subject to satisfactory operation and performance. Subject to approval and completion of a standstill period, the framework is intended to commence on or around 1st April 2024.

The report summarises the outcome of the procurement process for this national framework agreement and presents recommendations for award.

2. Scope, Participation and Spend

As part of the strategy development and through consultation with the Commercial User Intelligence Group Steering Group (CUIG-SG), the inclusion of four lots was endorsed as shown in Table 1. The framework structure remains unchanged from the previous generation of the framework.

Table 1: Framework Structure

Lot No.	Description	Estimated % Spend through lot
1	Permanent Road Signage and Associated Products	40%
2	Temporary Road Signs and Associated Products	8%
3	Road Signposts and Associated Products	37%
4	Electronic Road Signage and Associated Products	15%

As detailed in Appendix 1, 30 councils plus Tayside Contracts have confirmed their intention to participate in this framework, with all councils included in the advertised contract notice.

The framework was advertised at a total value of £1.25 million per annum, which equates to an estimated spend of £5 million over the maximum 4-year term of the framework. This advertised spend allows for increased participation from council and associate members not currently utilising the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on the 30th November 2022 which resulted in expressions of interest from 33 suppliers.

Thereafter, the contract notice was published via the Find a Tender and Public Contract Scotland (PCS) portal on the 6th December 2023, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the law and procedures currently in force.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation.

The published tender documents anticipated the appointment to the framework of a range of tenderers with relevant and demonstrable experience and capabilities. There was no fixed number of tenderers to be awarded participation and no fixed score ensured success. The most economically advantageous tenderer or tenderers was to be identified once all of the bids had completed the evaluation in accordance with the requirements set down within the tender documents. Awards would be sufficient to meet council requirements.

The tender followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the Single Procurement Document (SPD). Within the SPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing,

quality management, health and safety, and environmental management policies and/or procedures.

At the second stage of the process, offers were evaluated against the criteria and weightings outlined in Table 2.

Table 2: Evaluation Criteria/Weighting

Award Criteria	Total Available Scores
Commercial Section	80
Technical Section	20

Tenderers were required to indicate which local authorities they had an ability to service.

Tenderers were invited to bid on the following basis:

- In the Commercial Section, for each lot, tenderers were asked to offer a National Net Delivered Product Price for at least 70% of a basket of goods. For each lot offered, tenderers were also asked to submit pricing for additional products (these prices were not scored but have contractual effect).
- In the Technical Section, as outlined in Table 3, by the evaluation of scored method statements taking the form of a single response from each tenderer on: Contract Management and Customer Service, Sustainability, Fair Work First and Community Benefits. A number of technical requirements were also applied to tenderers relative to Ability to Service, Restrictions on Ability to Service, Ability to Transact and Vehicle Environmental Standards (these requirements were not scored but have contractual effect).

Table 3: Method Statement Scoring

Section	Question	Maximum Score Available
Technical 20%	MS1- Contract Management and Customer Service	5
	MS2 - Sustainability	5
	MS3 - Fair Work First	5
	MS4 - Community Benefits	5

Following a full evaluation of all submissions, scoring was completed in accordance with the published tender evaluation methodology, and a score was calculated for each tenderer.

4. Report on Offers Received

The tender documents were downloaded by 32 suppliers, with 10 tender responses received by the specified closing date and time.

Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of offers received was completed. A summary of all the offers received and the scoring achieved by each tenderer is set out in Appendix 2.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that a multi-supplier framework arrangement is awarded (in part or in whole) to all 10 suppliers as outlined in Appendix 2 subject to satisfactory conclusion of insurance checks.

The 10 recommended suppliers offer best value and represent a mix of small medium and micro-organisations with one supplier, Royal British Legion Industries Ltd. also known as Scotland's Bravest Manufacturing Company, being a supported business.

The range of suppliers recommended provides coverage and competitive options for all participating bodies as well as offering a degree of choice and capacity.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 2.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current pricing against the pricing submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average on cost across all councils is 21%, which equates to an estimated total on cost of approximately £222,578 per annum based on current forecast spend levels. Given the market movement forecast of 6% over the period of the current framework as demonstrated in figure 1, the impact through transition to the new framework is more tangible estimate at an on cost of 15%, or c.£159,000 across all councils.

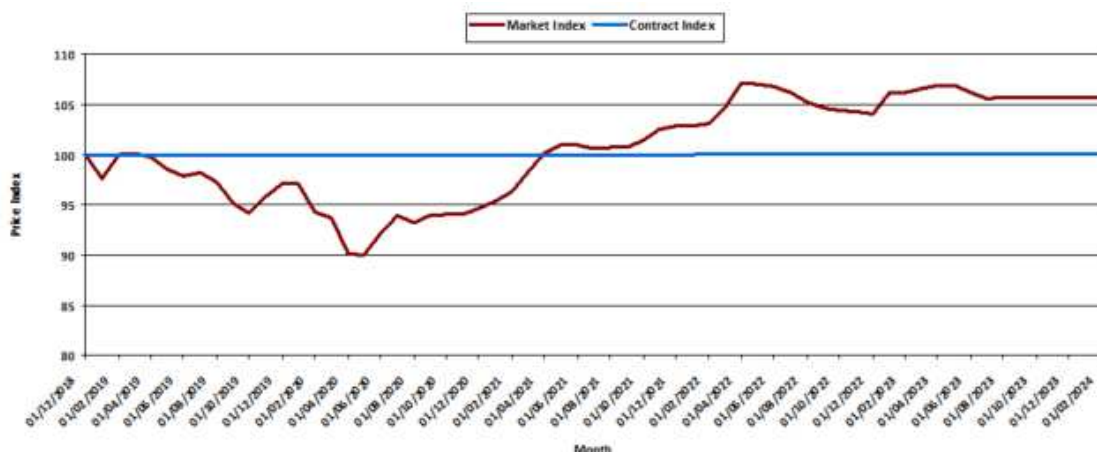


Figure 1 Indexation Report January 2024

These savings are summarised in Table 4 in accordance with the Scottish Government procurement benefits reporting guidance.

Table 4: Benefit Types

Reference	Type	Reportable Outcome
BT1	Direct price-based savings	-£222,598
BT2	Price versus market savings	6%
BT3	Process savings from use of collaborative arrangements	£360,000

Price Stability

Pricing is fixed for the initial 12-months of the framework. Thereafter, all requests for price increases will be evaluated according to the Terms and Conditions of the framework and require to be supported by documentary evidence.

After the initial 12-months, suppliers may submit a request for a price variance on an annual basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

Rebate

A rebate of 0.5% payable to Scotland Excel will be applied to framework spend above £75,000 and will be calculated based on all frameworks spend with the supplier reported through management information returns.

Sustainable Procurement Benefits

Sustainability

The following sustainability benefits represent the Scottish Government reporting guidance for sustainability-based benefits (BT14).

Within the technical section of the tender, Scotland Excel included a sustainability related method statement, which included questions related to the following areas:

- Waste
- Transportation
- Supply Chain

Responses received as part of the tender exercise are summarised, below:

In terms of waste suppliers are demonstrating a Reduce, Reuse, Recycle ethos in their operations with one of the suppliers trialing paper/cardboard based bubble wrap on their products.

Suppliers are using the latest Quartix Vehicle Routing & Tracking which monitors journey routing, speeds, braking and fuel efficiency.

Suppliers are using sustainability policies and business continuity plans to address their carbon footprint and assess the quality and value of products.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for members. Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spending with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. Of the recommended suppliers, all 10 have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed suppliers to drive maximum adoption and delivery of community benefits where appropriate.

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- Fundraising (Events in the local authority area for charity)
- Community Volunteering (Community Projects e.g., food growing/ allotment assistance)
- Work Experience (Placements for school students in the local authority)
- Training (Training sessions for wider community)

- Employability Workshops (Events in school, college, or community group)
- Material/Labour Donation (Help support community projects)
- Sponsorship (Local sports team or community event)

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework, and this will also be reported through ongoing contract management returns.

Fair Work First Including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, suppliers were assessed on their approach to Fair Work First and payment of the Real Living Wage to their workforce. Of the 10 recommended suppliers, 9 pay the Real Living Wage, one of which being an accredited Real Living Wage employer as detailed in Appendix 2 – Scoring and Recommendations. Stocksigns Limited is not currently an accredited Real Living Wage employer and does not pay the real living wage to all employees. Dialogue will continue with this supplier to encourage a change in their approach.

Scotland Excel will continue to monitor Fair Work First, including encouraging further uptake by suppliers committing to paying staff the Real Living Wage, during contract and supplier management activity.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract classification tool, this framework is classified as class D. As such, it will require annual supplier meetings and surveys, and annual user group reviews as appropriate. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service delivery for members.

8. Summary

This fourth-generation framework for the Supply and Delivery of Road Signage Materials continues to maximise collaboration, promote added value, and deliver best value. A range of benefits can be reported in relation to savings, price stability, sustainability, and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 2.

Appendix 1 – Participation, Spend and Savings Summary
2222 Supply and Delivery of Road Signage Materials

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Aberdeenshire Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Angus Council	Yes	01 April 2024	£17,000	MI Confirmed	6.0%	-21.0%	-£3,570	Benchmark Current Contract
Argyll & Bute Council	Yes	01 April 2024	£73,922	MI Confirmed	6.0%	-21.0%	-£15,524	Benchmark Current Contract
City of Edinburgh Council	Yes	01 April 2024	£1,097	MI Confirmed	6.0%	-21.0%	-£230	Benchmark Current Contract
Clackmannanshire Council	Yes	01 April 2024	£4,019	MI Confirmed	6.0%	-21.0%	-£844	Benchmark Current Contract
Comhairle nan Eilean Siar	Yes	01 April 2024	£13,960	MI Confirmed	6.0%	-21.0%	-£2,932	Benchmark Current Contract
Dumfries & Galloway Council	Yes	01 April 2024	£122,918	MI Confirmed	6.0%	-21.0%	-£25,813	Benchmark Current Contract
Dundee City Council	TBC	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
East Ayrshire Council	Yes	01 April 2024	£32,439	MI Confirmed	6.0%	-21.0%	-£6,812	Benchmark Current Contract
East Dunbartonshire Council	Yes	01 April 2024	£416	MI Confirmed	6.0%	-21.0%	-£87	Benchmark Current Contract
East Lothian Council	Yes	01 April 2024	£466	MI Confirmed	6.0%	-21.0%	-£98	Benchmark Current Contract
East Renfrewshire Council	Yes	01 April 2024	£1,677	MI Confirmed	6.0%	-21.0%	-£352	Benchmark Current Contract
Falkirk Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Fife Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Glasgow City Council	Yes	01 April 2024	£2,616	MI Confirmed	6.0%	-21.0%	-£549	Benchmark Current Contract
Highland Council	Yes	01 April 2024	£12,120	MI Confirmed	6.0%	-21.0%	-£2,545	Benchmark Current Contract
Inverclyde Council	Yes	01 April 2024	£366,218	MI Confirmed	6.0%	-21.0%	-£76,906	Benchmark Current Contract
Midlothian Council	Yes	01 April 2024	£300	MI Confirmed	6.0%	-21.0%	-£63	Benchmark Current Contract
Moray Council	Yes	01 April 2024	£1,949	MI Confirmed	6.0%	-21.0%	-£409	Benchmark Current Contract
North Ayrshire Council	Yes	01 April 2024	£15,056	MI Confirmed	6.0%	-21.0%	-£3,162	Benchmark Current Contract
North Lanarkshire Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Orkney Islands Council	TBC	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Perth & Kinross Council	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Renfrewshire Council	Yes	01 April 2024	£78,497	MI Confirmed	6.0%	-21.0%	-£16,484	Benchmark Current Contract
Scottish Borders Council	Yes	01 April 2024	£199,559	MI Confirmed	6.0%	-21.0%	-£41,907	Benchmark Current Contract
Shetland Islands Council	Yes	01 April 2024	£516	MI Confirmed	6.0%	-21.0%	-£108	Benchmark Current Contract
South Ayrshire Council	Yes	01 April 2024	£147	MI Confirmed	6.0%	-21.0%	-£31	Benchmark Current Contract
South Lanarkshire Council	Yes	01 April 2024	£62,258	MI Confirmed	6.0%	-21.0%	-£13,074	Benchmark Current Contract
Stirling Council	Yes	01 April 2024	£26,527	MI Confirmed	6.0%	-21.0%	-£5,571	Benchmark Current Contract
West Dunbartonshire Council	Yes	01 April 2024	£20,857	MI Confirmed	6.0%	-21.0%	-£4,380	Benchmark Current Contract
West Lothian Council	Yes	01 April 2024	£5,364	MI Confirmed	6.0%	-21.0%	-£1,126	Benchmark Current Contract
Tayside Contracts	Yes	01 April 2024	£0	MI Confirmed	6.0%	-21.0%	£0	Benchmark Current Contract
Totals			£1,059,897			-21.0%	-£222,578	
Associate Members	Yes	01 April 2024	£93	MI Confirmed	6.0%	-21.0%	-£20	Benchmark Current Contract
Totals			£1,059,990			-21.0%	-£222,598	

Appendix 2 – Scoring and Recommendations

<u>LOT NUMBER</u>	<u>LOT NAME</u>	<u>TENDERER NAME</u>	<u>SME STATUS</u>	<u>REAL LIVING WAGE STATUS</u>	<u>LOCATION</u>	<u>NUMBER OF LOTS BID FOR</u>	<u>NUMBER OF LOTS RECOMMENDED</u>	<u>OVERALL RECOMMENDATION STATUS</u>	<u>COMMERCIAL SCORE</u>	<u>TOTAL TECHNICAL SCORE</u>	<u>TOTAL SCORE</u>	<u>PLACING</u>	<u>RECOMMENDED FOR AWARD FOR LOT/SUB- LOT?</u>
1	Permanent Road Signage and Associated Products	ANSCO SIGNS LIMITED	Micro	2	Muir of Ord	3	3	SUCCESSFUL	80.00	20.00	100.00	1	Y
1	Permanent Road Signage and Associated Products	WILLIAM SMITH GROUP 1832 LIMITED	Medium	2	County Durham	2	2	SUCCESSFUL	42.29	20.00	62.29	2	Y
1	Permanent Road Signage and Associated Products	LIMELIGHT SIGNS LIMITED	Small	2	Bacup	2	2	SUCCESSFUL	43.46	18.25	61.71	3	Y
1	Permanent Road Signage and Associated Products	ROYAL BRITISH LEGION INDUSTRIES LTD.	Medium	4	Erskine	3	3	SUCCESSFUL	40.18	19.25	59.43	4	Y
1	Permanent Road Signage and Associated Products	P.F. CUSACK (TOOLS SUPPLIES) LIMITED	Medium	4	Glasgow	3	2	PART-SUCCESSFUL	30.02	17.13	47.15	5	N
1	Permanent Road Signage and Associated Products	MALLATITE LIMITED	Medium	4	South Lanarkshire	4	3	PART-SUCCESSFUL	28.89	17.50	46.39	6	N
2	Temporary Road Signs and Associated Products	ANSCO SIGNS LIMITED	Micro	2	Muir of Ord	3	3	SUCCESSFUL	78.92	20.00	98.92	1	Y
2	Temporary Road Signs and Associated Products	P.F. CUSACK (TOOLS SUPPLIES) LIMITED	Medium	4	Glasgow	3	2	PART-SUCCESSFUL	80.00	17.13	97.13	2	Y
2	Temporary Road Signs and Associated Products	ROYAL BRITISH LEGION INDUSTRIES LTD.	Medium	4	Erskine	3	3	SUCCESSFUL	68.72	19.25	87.97	3	Y
2	Temporary Road Signs and Associated Products	MALLATITE LIMITED	Medium	4	South Lanarkshire	4	3	PART-SUCCESSFUL	52.61	17.50	70.11	4	Y
3	Road Signposts and Associated Products	MALLATITE LIMITED	Medium	4	South Lanarkshire	4	3	PART-SUCCESSFUL	80.00	17.50	97.50	1	Y
3	Road Signposts and Associated Products	ROYAL BRITISH LEGION INDUSTRIES LTD.	Medium	4	Erskine	3	3	SUCCESSFUL	68.16	19.25	87.41	2	Y
3	Road Signposts and Associated Products	WILLIAM SMITH GROUP 1832 LIMITED	Medium	2	County Durham	2	2	SUCCESSFUL	66.26	20.00	86.26	3	Y
3	Road Signposts and Associated Products	LIMELIGHT SIGNS LIMITED	Small	2	Bacup	2	2	SUCCESSFUL	56.28	18.25	74.53	4	Y
3	Road Signposts and Associated Products	STREET LIGHTING SUPPLIES & CO LTD.	Small	1	Grangemouth	2	2	SUCCESSFUL	56.04	17.38	73.42	5	Y
3	Road Signposts and Associated Products	P.F. CUSACK (TOOLS SUPPLIES) LIMITED	Medium	4	Glasgow	3	2	PART-SUCCESSFUL	55.57	17.13	72.70	6	Y
3	Road Signposts and Associated Products	ANSCO SIGNS LIMITED	Micro	2	Muir of Ord	3	3	SUCCESSFUL	52.49	20.00	72.49	7	Y
4	Electronic Road Signage and Associated Products	MALLATITE LIMITED	Medium	4	South Lanarkshire	4	3	PART-SUCCESSFUL	74.84	17.50	92.34	1	Y
4	Electronic Road Signage and Associated Products	STOCKSIGNS LIMITED	Medium	6	Redhill	1	1	SUCCESSFUL	80.00	8.75	88.75	2	Y
4	Electronic Road Signage and Associated Products	SWARCO UK & IRELAND LTD	Medium	4	Basingstoke	1	1	SUCCESSFUL	64.92	20.00	84.92	3	Y
4	Electronic Road Signage and Associated Products	COEVAL LIMITED	Small	4	Glasgow	1	1	SUCCESSFUL	56.42	19.50	75.92	4	Y
4	Electronic Road Signage and Associated Products	STREET LIGHTING SUPPLIES & CO LTD.	Small	1	Grangemouth	2	2	SUCCESSFUL	47.84	17.38	65.22	5	Y

KEY – Real Living Wage Status Reference and Descriptions

Real Living Wage Ref.	Description
1	Paying and Accredited Accredited Real Living Wage Employer and commit to maintaining this for the duration of the Framework Contract.
2	Paying & Progressing to Accreditation Currently Paying the Real Living Wage and going through the process of becoming an accredited Real Living Wage Employer. Commitment to gaining accreditation over the initial two-year period of the Framework Contract.
3	Paying & Commitment to Accreditation Currently paying the Real Living Wage. Not yet progressing accreditation but commitment to gaining accreditation over the initial two-year period of the framework contract.
4	Paying but No Commitment to Accreditation Currently paying the Real Living Wage. Not an accredited Real Living Wage Employer but paying the Real Living Wage to all employees (except volunteers, apprentices, and interns) and commit to maintaining this for the duration of the framework contract.
5	Not Paying but Commitment to Pay Not an accredited Real Living Wage Employer and do not currently pay the Real Living Wage to all employees (except volunteers, apprentices, and interns) but commit to paying the Real Living Wage to all employees (except volunteers, apprentices, and interns) within the initial two-year period of the framework contract.
6	Not Paying Neither accredited nor paying Real Living Wage.