

Report to: Chief Executive Officers Management Group

On: 23 March 2015

UPDATE ON THE CONTRACT DELIVERY PLAN

1. Introduction

This report provides a progress update on the 2014/ 2015 contract delivery plan.

2. Progress to Date on the 2014/15 Contract Delivery Plan

As detailed in appendices 1 – 3, the 2014/ 2015 contract delivery plan comprises framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

This year to date, eighteen framework recommendations have been approved by the Executive Sub Committee, comprising of eleven renewals and the delivery of seven new contract areas. One further contract is due to be delivered by the end of March 2015.

Predictability around the construction portfolio growth plans remain challenging, primarily due to extensive stakeholder engagement and ongoing resolution of difficulties regarding conclusion of forms of contract. As such, this has resulted in the reschedule of several contracts in this category for delivery in 2015/16.

Performance against the three year business plan has been mixed; an overall forecast contract efficiency of 5.7% has been delivered against a target of 5%. However, the value of the contract portfolio at the end of March 2015 will reach c. £650m, against a target of £750m. As previously reported, it is expected that this will be recovered by the end of Q2 of 2015/16.

3. Conclusion

The group is asked to note the progress made to date.

Appendix 1 - List of contracts to be renewed

2014/2015

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Road Maintenance Materials	5,000,000	Renew	Jul-14		May-14		2% - 4%	6.7%	Presented and approved at Exec Sub Committee 30/05/14
Salt for Winter Maintenance	15,375,000	Renew	Jul-14		Jun-14		2% - 4%	-1.2%	Presented and approved at Exec Sub Committee 20/06/14
Street Lighting Materials	35,000,000	Renew	May-14		Jun-14		2% - 4%	8.0%	Presented and approved at Exec Sub Committee 20/06/14
Meats - Fresh, Prepared & Cooked	7,000,000	Renew	Oct-14		Aug-14		2% - 4%	9.4%	Presented and approved at Exec Sub Committee 22/08/14
Washroom Solutions	3,500,000	Renew	Oct-14		Aug-14		2% - 4%	28.2%	Presented and approved at Exec Sub Committee 22/08/14
Signage	2,000,000	Renew	Dec-14		Oct-14		2% - 4%	5.0%	Presented and approved at Exec Sub Committee 03/10/14
Telecare and Telehealth Technologies	3,400,000	Renew	Jan-15		Jan-15		2% - 4%	3.2%	Presented and approved at Exec Sub Committee 05/12/14
Janitorial Products	9,000,000	Renew	Feb-15		Feb-15		2% - 4%	11.5%	Presented and approved at Exec Sub Committee 30/01/15
Presentation and Audio Visual Equipment	6,000,000	Renew	Mar-15		Mar-15		2% - 4%	7.0%	Presented and approved at Exec Sub Committee 06/03/15
Asbestos	8,000,000	Renew	Mar-15		Mar-15		2% - 4%	12.7%	Presented and approved at Exec Sub Committee 06/03/15
Building and Timber Materials	15,200,000	Renew	Mar-15		Mar-15		2% - 4%	5.4%	Presented and approved at Exec Sub Committee 06/03/15

Appendix 2 – List of new contracts to be developed and delivered in 2014/15

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Children's Residential Care Services	75,000,000	New contract	Sep-12	Jun-14	May-14		N/A		Presented and approved at Exec Sub Committee 30/05/14
Roadstone	35,000,000	New contract	Mar-14	Jun-14	May-14		2% - 4%	8.9%	Presented and approved at Exec Sub Committee 30/05/14
Agency Workers - Social Care	20,000,000	New contract	Mar-14	May-14	Jun-14		N/A		Presented and approved at Exec Sub Committee 20/06/14
Recyclable and Residual Waste	25,000,000	New contract	Mar-14	Jun-14	May-14		N/A		Presented and approved at Exec Sub Committee 30/05/14
Online School Payments	5,000,000	New contract	Oct-14		Oct-14		2% - 4%	30.0%	Presented and approved at Exec Sub Committee 03/10/14
Security Services and Equipment	18,000,000	New contract	Mar-15		Mar-15		2% - 4%	7.8%	Presented and approved at Exec Sub Committee 30/01/15
Ground Maintenance Equipment Plant	12,500,000 12,500,000	New contract New contract	Mar-15 Mar-15		Mar-15		2% - 4% 2% - 4%	8.9%	Presented and approved at Exec Sub Committee 06/03/15
Care Homes for Adults With Learning Disabilities	31,000,000	New contract	Dec-12	May-15			N/A		Tender responses currently being evaluated, with the recommendation scheduled for submission to the Exec Sub Committee on 27/03/15.
Energy Efficiency Contractors	40,000,000	New contract	Mar-14	May-15		Nov-15	2% - 4%		The tender closed on 24/02/15. The tender evaluation process will involve people with learning disabilities who have experience of care home services.
Building Related Engineering Consultancy	10,000,000	New contract	Nov-14	Mar-15		Jul-15	2% - 4%		A market analysis and opportunity assessment has now been drafted. The report confirms there are significant numbers of programmes and funding sources available to councils to improve the energy efficiency of homes across Scotland. Three programmes have been identified as having particular relevance and priority, however whilst each of these have synergies, they also have different requirements and standards. To respond to the complex scoping, as well as conduct the required stakeholder engagement, the project is now forecast for completion by Nov-15.
Street Lighting Installation and Maintenance	20,000,000	New contract	Mar-14	Feb-15		Oct-15	2% - 4%		Protracted discussions with legal representatives regarding the most suitable terms and conditions has further impacted on the project timeline, with the latest forecast slipping from Mar-15 to Jul-15.
Demolition	16,000,000	New contract	Mar-15	Mar-15		Jul-15	2% - 4%		Due to the number of supplier challenges faced by councils seeking to procure similar services in recent years, a comprehensive quality assurance review of all documentation produced is underway before releasing the tender. This, alongside the continued discussions with legal representatives regarding finalising suitable terms and conditions, has impacted on the project timeline. The forecast completion date is now Oct-15.
Outdoor Play Equipment	8,000,000	New contract	Mar-15	Mar-15		Aug-15	2% - 4%		The ongoing discussions with legal representatives regarding terms and conditions for the Buildings Related Engineering Consultancy framework has had a consequential impact on issuing this tender. This project is now due for completion in Jul-15.
Surveying and Construction Management	8,000,000	New contract	Mar-15	Dec-15			2% - 4%		Delays have been experienced in finalising the specifications with the council technical group. The forecast completion date is now Aug-15.
Adult Supported Living	30,000,000	New contract	Dec-12	Jan-15		TBA	N/A		Currently assessing with council representatives the sequencing of this project alongside another identified collaborative procurement initiative for architectural services.
									Due to resource constraints, initial scoping assessment has not yet been undertaken.

Appendix 3 – Contracts with extension options and contract management activity ongoing in 2014/15

Contracts with extension options in 2014/15

Contract Description	Est Annual Value
Electrical Materials	£ 11,500,000
Engineering Consultancy	£ 15,000,000
Fostering	£ 24,000,000
Household WEEE	£ -
Organic Waste	£ 2,000,000
Plumbing Materials	£ 11,000,000
Prepared Meals	£ 3,200,000
Waste Disposal Equipment	£ 1,500,000

Contracts with no renewal or extension activity but with ongoing contract management in 2014/15

Contract Description	Est Annual Value
Bitumen Products	£ 16,500,000
Catering Sundries	£ 3,000,000
Domestic Furniture and Furnishings	£ 32,000,000
Education & Office Furniture	£ 5,000,000
Educational Materials	£ 17,400,000
Frozen Foods	£ 13,000,000
Groceries & Provisions	£ 24,000,000
Heavy Vehicles	£ 33,750,000
Library Books & Textbooks	£ 14,000,000
Light Vehicles	£ 25,000,000
Milk	£ 9,000,000
Personal Protective Equipment	£ 7,500,000
Recycle/Refuse Containers	£ 8,000,000
Secure Care	£ 20,000,000
Trade Materials	£ 7,666,571
Tyres	£ 6,000,000
Vehicle & Plant Hire	£ 20,000,000
Vehicle Parts	£ 10,000,000