

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 February 2023	09:30	Remote using Microsoft Teams Platform,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Peter Henderson (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, M Robertson, Marketing & Communications Manager, L Muir, Category Manager, J Kenney, Senior Procurement Specialist, E Hay, M Mitchell and L Richard, all Strategic Programme Managers, L Jones, Senior Business Services Specialist, S Christie, Commercial Programme Manager, K Forrest, Office Manager, L Mooney, Senior Communications Specialist, L Crosbie and L O'Neill, both Assistant Procurement Specialists and N Howie, Procurement Co-ordinator (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing) and R Devine, Senior Committee Services Officer (both Renfrewshire Council).

Apology

Councillor Ruairi Kelly (Glasgow City 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 27 January 2023.

In relation to item 3(b) of the Minute, Contract for Approval: Building Construction Consultancy, members were advised that the resubmission of amended appendices was required to reflect the specific details of the evaluation outcome and had no impact on the overall outcome or recommended bidders. The changes to Appendix 2 were to correct the award recommendations made in October 2022 and reflected the evaluation outcome including Savills (UK) Limited as unsuccessful for all regions in lot 14. The changes to appendices 2 and 3 also corrected minor clerical errors to the "Lots/Regions Tendered" column ensuring consistent naming of bidders and correction of one score for one bidder in lot 2 region 1C. These changes were highlighted in the appendices which would be circulated following this meeting.

DECIDED:

(a) That the Minute be approved; and

(b) That the update provided in relation to item 3(b) of the Minute, Contract for Approval: Building Construction Consultancy, be noted.

2 Operating Plan Update 2022/23

There was submitted a report by the Chief Executive of Scotland Excel relative to operating plan activity for the period to 31 December 2022. A copy of the operating plan for 2022/23 was appended to the report.

The report intimated that an operating plan, covering the period from 1 April 2022 to 31 March 2023, had been approved at the meeting of the Scotland Excel Joint Committee held on 10 December 2021.

The report highlighted that, as at the end of December 2022, 31 operating plan commitments were progressing in line with plans and were indicated as green; two commitments were progressing slower than anticipated and were indicated as amber; and one commitment had not yet started and was indicated as white.

The report noted that progress reports were produced quarterly to track Scotland Excel's activity against operating plan commitments and at the end of each quarter reports were submitted to the Executive Sub-committee with the most recent quarterly report being submitted to the Joint Committee with recent updates noted.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2022/23 be noted.

Sederunt

Councillor Henderson joined the meeting during consideration of the following item of business.

3 Contract for Approval: Supply and Distribution of Fresh Meats, Cooked Meats and Fresh Fish

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation renewal framework for the supply and distribution of fresh meats, cooked meats and fresh fish for a period of four years from 1 April 2023 until 31 March 2027. It was noted that subject to approval and completion of a standstill period, it was anticipated that the framework agreement would commence on 1 April 2023.

The framework would provide members with a mechanism to procure a range of fresh goods including, but not limited to, beef, lamb, pork, poultry, prepared products, cooked meats and fresh fish.

The report summarised the outcome of the procurement process for this national framework which had been divided into four lots, as detailed in table 1 of the report. It was noted that in a bid to promote and encourage participation from suppliers, 42 geographical sub lots had been applied within the 'ability to service' section of the tender. Suppliers recommended for award would be by geographical sub lot area and these were fixed for the framework duration. Scotland Excel had engaged with Scotland Food and Drink, the Soil Association, Quality Meats Scotland and the National Farmers Union Scotland to encourage participation from local suppliers.

The report advised that the framework had been advertised at a total value of £10 million per annum and Appendix 1 to the report detailed the participation and spend summary of those participating in the framework.

Tender responses had been received from eight 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 eight suppliers across the four lots for the related geographical areas, 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 B in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-supplier framework for supply and distribution of fresh meats, cooked meats and fresh fish, as detailed in Appendix 3 to the report, be approved.

4 **Request for Associate Membership: Glen Oaks Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Glen Oaks Housing Association 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 Glen Oaks Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,022, be approved, subject to completion and signing of the agreement documentation.

5 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2022/23 contract delivery plan.

The report intimated that the contract delivery plan detailed new framework developments and renewals, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details.

The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel contract portfolio. It was intended that a further five frameworks would be developed and added to the portfolio in the coming year and that 20 of these frameworks would be completed during 2022/23. A further 17 of these frameworks had extension options that were available to be exercised in 2022/23, with 13 of these extensions already approved.

The report noted that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion and that overall, efficiencies created by frameworks awarded so far during 2022/23 were benchmarked at 1.73%, which was slightly below the forecast range. This figure did not include the additional cost management measures in place for each framework via the indexation model which provided data on how the framework pricing compared to market indices relevant to the commodity being sourced. This was provided to ensure that Scotland Excel was able to manage pricing in volatile markets and a favourable position for members.

The report advised that in addition to the activity detailed in appendices 1 to 4, Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams. Consolidation of the existing markets was currently underway in order to create capacity to add new activities to the portfolio and support strategically significant areas of spend, with some existing frameworks within related markets being considered for merger and some lower value frameworks not being renewed.

A summary of spend and forecast savings per council for the period October 2021 and September 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.27%.

DECIDED: That the progress made to date be noted.

Sederunt

Councillor Craik left the meeting during consideration of the following item of business.

6 Associate Member Overview

There was submitted a report by the Chief Executive of Scotland Excel providing an overview of the Scotland Excel associate membership programme.

The report intimated that there were five main groups of associate membership, being housing associations, Council's arm's length organisations (ALEOs), transport partnerships, organisation utilising the reciprocal arrangements (Scottish Government and education) and other bodies and Appendix 1 to the report detailed the breakdown of associate members per group.

The report advised that in June 2018, the Joint Committee approved associate membership expansion as part of the income strategy and in December 2018, the Joint Committee approved a continued focus and the creation of a dedicated associates team. It was noted that between April 2017 and April 2019, associate membership growth mainly came from housing associations as a result of participation in the Procurement Commercial Improvement Programme (PCIP), the Scottish Government affordable housing project. However, the expansion of the contract portfolio, the growth of additional services and the appetite for greater collaboration since the Covid pandemic had significantly increased the membership for Scottish Government bodies, ALEO's and Universities and Colleges over the last two years and brought membership to the current level of over 140 associate members.

The growth of associate membership since the last report in January 2021 was detailed in figure 1 of the report; the income breakdown of associate members by sector as at January 2023 was detailed in figure 2 of the report; the current fee split of associate members was detailed in figure 4 of the report; and the associate members income growth for 2013 to 2022 was detailed in figure 5 of the report.

The report noted that Scotland Excel encouraged and promoted a number of organisational fair work polices and that approximately 90% of associate members were Living Wage employers; that within the last 12 months, associate members had spent £40 million through Scotland Excel frameworks which benefited core members with the enhanced buying power providing additional services in local communities; that with the launch of the Continuous Improvement Programme for Procurement (CIPP) in December 2022, the associate team would be conducting assessments for housing associations which required to meet Scottish Government conditions on the housing grant funding application; that the associate team would seek to increase growth in third sector associate membership; and that Scotland Excel would continue to review spend levels of associate members to ensure that fees reflected usage.

DECIDED: That the progress made regarding the ongoing work with associate members be noted and that members encourage suitable organisations to apply for membership.

7 **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 17 March 2023.