

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 10 December 2021	09:30	Remotely by MS teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Amanda Hawick (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 and Business Services; L Campbell, Corporate Services Manager; L Muir, Category Manager; E Macluskie, Procurement Co-ordinator, G Mooney, Category Analyst, S Christine, Commercial Manager, G McColl, Senior Communications Specialist, L Richard, Strategic Procurement Manager and K Forrest, Office Manager (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and E Currie and R Devine, Senior Committee Services Officers (all Renfrewshire Council); and M Ferris, Audit Manager, A MacDonald, Senior Auditor and K Graham, Trainee Auditor (all Audit Scotland).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); and Councillor Josh Wilson (South Lanarkshire 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 19 November 2021.

The Head of Strategic Procurement advised the meeting that the report on Contract for Approval: Supply and Distribution of Milk approved on 19 November 2021 had reported the awards on the basis of whole council areas. However, he wished to advise members that for two of the council areas namely, North Ayrshire and Argyll & Bute, the council areas had been broken down in to geographical sublots with a view to potentially increasing the number of tenderers. While there was no change to the awards, Members were asked to note the awards were on the subplot basis.

DECIDED: That the Minute be approved and the update provided by the Head of Strategic Procurement be noted.

2 **Annual Audit Report on the Annual Accounts 2020/21**

Under reference to item 6 of the Minute of the meeting of the Joint Committee held on 18 June 2021, there was submitted a report by the Treasurer relative to Audit Scotland's findings from the audit of Scotland Excel's financial statements for 2020/21.

The report intimated that The Local Authority Accounts (Scotland) Regulations 2014 required the audited accounts to be approved for signature no later than 30 September each year. This year, owing to the COVID-19 pandemic, this date had been extended to 30 November 2020. It was noted that there had been delays in Audit Scotland completing the statutory audits of a number of public sector clients and this had resulted in the audited annual accounts of Scotland Excel being presented for approval on 10 December 2021.

Section 10 of the Regulations required the relevant committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.

Audit Scotland's annual audit report formed Appendix 1 to the report and included their opinion that the annual accounts were free from material misstatement and presented a true and fair view of Scotland Excel's financial position at 31 March 2021 as well as details of adjustments made to the accounts during the course of the audit.

A copy of the audited annual accounts 2020/21 was attached as Appendix 2 to the report.

Following approval, the audited accounts would be submitted to the Convener, Treasurer and Chief Executive of Scotland Excel for secure digital signature.

DECIDED:

(a) That the findings of the 2020/21 audit as contained in the external auditor's annual audit report, which formed Appendix 1 to the report, be noted; and

(b) That the Scotland Excel 2020/21 audited annual accounts, which formed Appendix 2 to the report, be approved for signature.

3(a) **Contract for Approval: Supply and Delivery of Musical Instruments**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a new framework for the supply and delivery of musical instruments which would operate from 1 December 2021 until 30 November 2024 with an option to extend for up to 12 months until 30 November 2025.

The framework would provide councils and other participating bodies with a mechanism to procure a wide range of musical instruments and associated accessories. It was noted that the musical instruments to be supplied under this framework were previously included within lot 7 of the education materials framework, schedule 12/20 which had been tendered during summer 2021. At the meeting of this Sub-committee held on 18 June 2021, it was noted that, in order to adequately account for the impact of recent pandemic restrictions for a tender, Scotland Excel did not proceed to award lot 7, musical instruments and this procurement had been undertaken as a separate exercise.

The report summarised the outcome of the procurement process for the framework which consisted of a single lot, as detailed in table 1 of the report.

The report advised that the forecast annual spend for participating councils and associate members with contingency was £1.75 million per annum, equating to an estimated spend of £7 million over the maximum four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 10 suppliers across lot 1, 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 and delivery of musical instruments, as detailed in Appendix 3 to the report, be approved.

Sederunt

Councillor Cullinane left the meeting prior to consideration of the following item of business.

3(b) **Contract for Approval: Supply and Delivery of Recycle and Refuse Containers**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply and delivery of recycle and refuse containers which would operate from 9 December 2021 until 8 December 2024 with an option to extend for a one-year period until 8 December 2025. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 4 January 2022.

The framework would provide Councils and other participating bodies with a mechanism to procure various types of recycle and refuse containers and would be available to all 32 councils, associate members and eligible public sector partners. The framework would form part of the Scotland Excel Environment Category portfolio which assisted councils in delivering their statutory obligation to provide a waste management public service and to meet targets associated with the Waste (Scotland) Regulations 2012, Scotland's Zero Waste Plan and the Scottish Government and CoSLA Household Waste Recycling Charter and Associated Code of Practice.

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

The report advised that the forecast annual spend for participating councils and associate members with contingency for any unprojected spend was £12.5 million per annum, equating to an estimated spend of £50 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework.

Tender responses had been received from 25 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 23 suppliers across the eight 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 and delivery of recycle and refuse containers, as detailed in Appendix 3 to the report, be approved.

4(a) **Request for Associate Membership: Keeper of the Registers of Scotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that the Keeper of the Registers of Scotland 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 the Keeper of the Registers of Scotland to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

4(b) **Request for Associate Membership: VisitScotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that VisitScotland 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 VisitScotland 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 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee will be held at 9.30 am on 28 January 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 28 January 2022	09:30	Remotely by MS Teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Bob Myles (substitute for Councillor Angus Macmillan Douglas) (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, K Nugent, S Nixon and L Cairns, all Senior Procurement Specialists, S Ferracutti, Procurement Co-ordinator, S Christie, Commercial Manager, K Forrest, Office Manager, L McIntyre, Senior Communications Specialist, P Barnes, Project and Account Manager, L Muir, Category Manager, and M Boyle, Senior Business Service Specialist (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and P Shiach, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Josh Wilson (South Lanarkshire 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 10 December 2021.

DECIDED: That the Minute be approved.

2 **Revenue Budget Monitoring**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 10 December 2021.

The report intimated that at the end of period 9, Scotland Excel was projecting a break-even position by year-end in its core activities and a £31,000 drawdown from project reserves by year-end within projects. It was noted that both core and projects would be monitored closely in order to mitigate any significant variances. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the project reserves.

DECIDED: That the report be noted.

3(a) **Contract for Approval: Energy Efficiency Contractors**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal energy efficiency contractors' framework for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 14 February 2022.

The framework would provide members with an effective and efficient method of upgrading existing housing stock with innovative energy efficiency measures to reduce carbon output and thereby household bills. It was noted that there had been several enhancements to the framework which included a new lotting structure designed to enable retrofitting housing stock by the inclusion of a professional services lot.

The report summarised the outcome of the procurement process for the framework which consisted of four lots, broken into sub-lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised with an estimated spend of £200 million per annum and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework. All 32 councils and associate members had been included in the contract notice as Scotland Excel would liaise with non-participating members before the expiry of existing agreements to discuss options for transition to the framework.

Tender responses had been received from 49 suppliers and Appendix 2 to the report provided a summary of the offers received. Two responses were deemed non-compliant for all sub-lots tendered and one response was deemed partially non-compliant. In each case the tenderers had failed to complete the required schedule of rates. Tenderers who were non-compliant for all sub-lots tendered had been advised that their offer would not be considered further and the tenderer who was partially non-compliant had been advised that their offer would not be considered further for the relevant sub-lots and had been recommended for partial award to the framework. One contractor had been unsuccessful for award as they did not submit a response to the technical method statements.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 47 compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder for each sub-lot per council area. Appendix 3 also indicated all non-compliant offers.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-contractor framework arrangement be awarded to 46 contractors across the four lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by contractors 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 A in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-contractor framework, to those contractors detailed in Appendix 3 to the report, be approved.

3(b) **Contract for Approval: Supply Only and Supply and Distribution of Frozen Foods**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the supply only and supply and distribution of frozen food which would operate from 1 April 2022 until 31 March 2026.

The framework would provide councils with a mechanism to procure a range of frozen goods and users of the framework were likely to include schools, nurseries, leisure centres, community centres, social work, council buildings and civic centres.

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 with a potential value of £25 million per annum to allow increased participation from councils and associate members. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts. It was noted that Orkney Islands Council had confirmed that they would not participate as they currently had an arrangement in place.

Tender responses had been received from 14 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 14 suppliers across the three lots, as outlined in Appendix 3 to the report.

It was noted that there were two minor name corrections to the names shown in table B of Appendix 3 to the report, in that any reference to 'Downies of Whitehills' should read 'Downies of Whitehills (A Partnership)' and any reference to 'Unilever U.K. Central Resources T/A Unilever UK Ltd' should read 'Unilever UK Limited'. Members were advised that these were typographical errors, with no impact on the outcome of 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 the supply only and supply and distribution of frozen food, as detailed in Appendix 3 to the report, noting the name changes referred to above, be approved.

3(c) **Contract for Approval: Supply and Delivery of Heavy and Municipal Vehicles**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply and delivery of heavy and municipal vehicles which would operate from 1 January 2022 until 31 December 2023 with an option to extend to up to two 12-month periods. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 18 February 2022.

The framework was for the supply and delivery of various vehicle types, including, but not limited to, chassis, refuse collection vehicles, winter maintenance vehicles, road sweeping vehicles and more general use vehicles for all 32 member councils as well as associate members and Tayside Contracts. The framework also included specialist body building services as well as options for alternative fuelled vehicles.

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

The report advised that the forecast annual spend for participating councils and associate members, with contingency for any unprojected spend, was £25 million per annum, which equated to an estimated spend of £100 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework. It was noted that East Ayrshire Council had an agreement in place and had confirmed that they would not be purchasing from the Scotland Excel framework.

Tender responses had been received from 38 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 36 suppliers across the sixteen lots, as outlined in Appendix 3 to the report. It was noted that no bids had been received from lot 15, Aerial Platforms.

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 and delivery of heavy and municipal vehicles, as detailed in Appendix 3 to the report, be approved.

3(d) **Contract for Approval: Tyres for Vehicles and Plant**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply only or supply and fitment of tyres which would operate from 1 January 2022 until 31 December 2025. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 14 February 2022.

The framework was for the supply only or supply and fitment of tyres for an extensive range of light, commercial or heavy vehicles as well as grounds maintenance equipment and plant. The associated services included fitting, inspection, compliant tyre disposal, fleet tyre management as well as emergency roadside assistance.

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

The report advised that the forecast annual spend for participating councils and associate members, with contingency for any unprojected spend, was £25 million per annum, which equated to an estimated spend of £100 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts. It was noted that South Ayrshire, Shetland Islands and Western Isles Councils had indicated that they would likely participate once arrangements they currently had in place expired, if the supply base allowed.

Tender responses had been received from 13 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 12 suppliers across the six 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 only or supply and fitment of tyres, as detailed in Appendix 3 to the report, be approved.

4 **Operating Plan Update 2021/22**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the progress made in the three months between October and December 2021 towards delivering the commitments contained in the operating plan 2021/22.

The report intimated that a new operating plan, covering the fifteen-month period from January 2021 to March 2022, had been approved at the meeting of the Scotland Excel Joint Committee held on 11 December 2020. To simplify reporting, the number of commitments in the plan had reduced from 68 detailed commitments to 30 broader commitments and these aligned to more than 120 specific actions cascaded to staff as part of Scotland Excel's Performance Review and Development Programme.

The report highlighted that 26 of the operating plan commitments were progressing in line with plans and were indicated as green; three commitments were indicated as amber; and one commitment had been completed and was indicated as black.

It was 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 half-yearly and annual reports submitted to the Joint Committee. Due to the continuing uncertainty in relation to COVID-19 and Brexit, reporting against key performance indicators was currently on hold pending a review of appropriate measures.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2021/22 be noted.

5 **Employee Absence Management Report**

There was submitted a report by the Chief Executive of Scotland Excel relative to employee absence statistics for Scotland Excel.

The report advised of the absence levels for the period ending 31 December 2021 and provided a breakdown of the current month, the last six months and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages.

The report noted that the rate of absence across the organisation had generally been maintained at or below the 4% target, with the exception of March 2021, where the absence rate rose to 5.1% due to long-term absences. The rolling six months and 12 months average absence rates had maintained at or below 2.9%.

The report highlighted that in the first quarter of 2021, the COVID-19 pandemic had had an adverse impact on the average sickness days per employee figure compared to the same period in 2020. The COVID-19 pandemic appeared to have had an adverse impact on the mental wellbeing of staff with the predominant cause of long-term sickness absence being reported as mental ill health. While the pandemic had not been the primary cause of absence, it had been identified as a contributory factor in a number of cases.

It was noted that, in addition to supporting members of staff absent through ill health, Scotland Excel continued positive early intervention practices including working with occupational health and other support services to maintain employee attendance and to support members of staff who might be experiencing difficulties whilst remaining at work.

DECIDED: That the content of the report be noted.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 18 February 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 February 2022	09:30	Remotely by MS Teams,

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Jimmy Gray (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (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 and Business Services, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, K Farley, Assistant Procurement Specialist, L Robertson, Project and Account Manager, S Christie, Commercial Manager, K Forrest, Office Manager, L Muir, Category Manager, and L Mooney, Senior Communications Specialist (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts and Conveyancing) and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Rui Kelly (Glasgow City Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Joe Cullinane (North Ayrshire Council).

Declaration of Interest

Councillor Craik declared an interest in item 4(a) for the reason that it related to Fife Council. Councillor Craik indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item.

Transparency Statement

Councillor Buchan indicated that he had a connection to item 4(b) by reason of a relative being an employee of Scottish Water. However, he indicated that he had applied the objective test and did not consider that he had an interest to declare.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 28 January 2022.

DECIDED: That the Minute be approved.

Sederunt

Councillor Di Mascio and Councillor Hawick joined the meeting during consideration of the following item of business.

2 Fair Work and Living Wage Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on Fair Work practices, including the Living Wage.

The report intimated that Scotland Excel had been addressing Fair Work practices in procurement since the introduction of statutory guidance in October 2015 and, working within the applicable legislative framework, had been committed to encouraging suppliers/contractors to pay the real Living Wage.

The report advised that research showed that paying the real Living Wage helped businesses recruit and retain better staff, reduce absenteeism, encourage higher productivity and 93% of businesses had intimated that Living Wage accreditation had improved their reputation. To date legal advice and policy had allowed encouragement of the Living Wage but prohibited imposition. Those suppliers/contractors who do not pay the Living Wage cannot be penalised in the tender or subsequent contractual process and this had meant that public bodies were unable to make payment of the real Living Wage a mandatory requirement as part of a competitive procurement process.

In December 2020, the Scottish Government wrote to public bodies setting out the clear expectation that public sector partners must lead the way by embedding Fair Work in their organisations and through supply chains, including through procurement, by applying the five Fair Work First criteria in public procurement processes from April 2021.

The report noted that on 15 March 2021, the Scottish Government published a Scottish Procurement Policy Note (SPPN), SPPN 3/2021 setting out action for public bodies to apply Fair Work First criteria in regulated procurement processes that commenced

from 1 April 2021; on 24 September 2021, the Scottish Government published SPPN 6/2021 advising that Fair Work First had been expanded from five elements to seven elements and that SPPN 6/2021 superseded SPPN 3/2021, which had been withdrawn; and on 15 October 2021, the Director of Procurement & Property, Scottish Government, advised that the Scottish Government believed it would be possible to mandate the real Living Wage in public contracts where Fair Work First practices, including payment of the real Living Wage, was relevant to how the contract would be delivered; it did not discriminate amongst potential bidders; it was proportionate to do so; and the contract would be delivered by workers based in the UK. Additionally, the Minister for Business, Trade, Tourism and Enterprise announced that the Scottish Government would be implementing this change to all new contracts with immediate effect.

It was noted that the Scottish Government had advised that the content of SPPNs were not legal advice and should not be construed as such. Public bodies were advised to seek their own legal advice. It was hoped that the planned update of the current statutory guidance and SPPNs would provide clarification on the areas detailed in the report.

Scotland Excel had consistently applied Fair Work criteria and strongly promoted and encouraged payment of the real Living Wage and would continue to drive the relevant social, economic and environmental outcomes through procurement activity. Fair Work would continue to be included within the quality evaluation of all frameworks and the weightings attributed to each framework would be proportionate to the likely impact on quality for that particular framework and would therefore be assessed on a case-by-case basis. It was anticipated that this would continue to deliver improved employment conditions, better value frameworks and minimise potential for increased costs to councils.

In light of the most recent communication from the Scottish Government regarding their revised approach to mandating payment of the real Living Wage, Scotland Excel would now, on a contract-by-contract basis, look further into ways in which where appropriate it could, within the law, consider and mandate the real Living Wage.

The Head of Strategic Procurement intimated that a report would be submitted to a future meeting of the Executive Sub-committee in relation to Scotland Excel's approach to The Fairer Scotland Duty. Further that he would provide further clarity on the report to Councillor Hawick, out with the meeting, specifically in relation to reference made to mandating the real living wage where appropriate to do so.

DECIDED:

(a) That the report be noted;

(b) That it be noted that a report would be submitted to a future meeting of the Executive Sub-committee in relation to Scotland Excel's approach to The Fairer Scotland Duty; and

(c) That it be noted that the Head of Strategic Procurement would provide further clarity on the report to Councillor Hawick, out with the meeting, specifically in relation to reference made to mandating the real living wage where appropriate to do so.

Declaration of Interest

Councillor Di Mascio declared an interest in the following item for the reason that he was an owner/occupier in the industry. Councillor Di Mascio indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item. Councillor Di Mascio then left the meeting.

3 **Contract for Approval: Pest Control Services and Associated Products**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal framework for pest control services and associated products for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 1 March 2022.

The framework covered the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories.

The report summarised the outcome of the procurement process for the framework which had been divided into two 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 participating in the framework.

Tender responses had been received from 11 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that all respondents had passed the first-stage qualification/selection assessment, however one bidder was non-compliant having failed to upload a pricing schedule and had been advised accordingly. Further, that one bid had been withdrawn.

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 detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to five suppliers across the two 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 pest control services and associated products, as detailed in Appendix 3 to the report, be approved.

Declaration of Interest

Councillor Craik having previously declared an interest in the following item, left the meeting and took no part in the discussion or voting thereon.

4(a) Request for Associate Membership: Fife Sports and Leisure Trust Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Fife Sports and Leisure Trust 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 Fife Sports and Leisure Trust to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

4(b) Request for Associate Membership: Scottish Water

There was submitted a report by the Chief Executive of Scotland Excel advising that Scottish Water 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.

The Head of Customer and Business Services intimated that he would provide a written response to Councillor Hawick in relation to her query regarding the recommendation that a proposed public organisation would not pay a fee for membership and also around Scotland Excel resources being deployed towards associates and not core members.

DECIDED:

(a) That the application by Scottish Water to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation; and

(b) That it be noted that the Head of Customer and Business Services would provide a written response to Councillor Hawick in relation to her query regarding the recommendation that a proposed public organisation would not pay a fee for membership and also around Scotland Excel resources being deployed towards associates and not core members.

4(c) Request for Associate Membership: Thenue Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Thenue Housing Association 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 Thenue Housing Association to become an associate member of Scotland Excel, with an annual membership fee of £4,461, be approved subject to completion and signing of the agreement documentation.

5 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 18 March 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 March 2022	09:30	Remotely by MS Teams,

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, L Cairns, Senior Procurement Specialist and K Forrest, Office Manager, (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts and Conveyancing), C McCourt, Corporate Business Manager, L Belshaw, Democratic Services Manager and R Devine, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Andrew Johnston (City of Edinburgh Council); and Councillor Joe Cullinane (North Ayrshire Council).

Declarations of Interest

Councillor Di Mascio declared an interest in item 5(a) of the agenda for the reason that he was an owner/occupier in the industry. Councillor Di Mascio indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item.

Councillor Craik declared an interest in items 6(a) and 6 (c) of the agenda for the reason that they related to Fife Council. Councillor Craik indicated that as he had declared interests, he would leave the online meeting during any discussion and voting on the items.

Order of Business

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 6 in the following order, item 6(b), then 6(d), then 6(a) and then 6(c).

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 18 February 2022.

DECIDED: That the Minute be approved.

Sederunt

Councillor Di Mascio joined the meeting during consideration of the following item of business.

2 Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) - February 2022

There was submitted a report by the Chief Executive of Scotland Excel relative to the Chief Executive's update report considered at the meeting of the Scotland Excel Chief Executive Officers Management Group (CEOMG) held on 16 February 2022, covering the period from November 2021 to February 2022, a copy of which was appended to the report.

The report intimated that the CEOMG met quarterly and that as part of the regular governance process, the Chief Executive of Scotland Excel provided an update on the work of Scotland Excel. Following discussions with the Convener, it had been agreed that future reports, be shared with members of the Scotland Excel Executive Sub-committee, following CEOMG meetings.

DECIDED: That the report be noted.

3 Revenue Budget Monitoring

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 4 February 2022.

The report intimated that at the end of period 11, Scotland Excel was projecting a break-even position by year-end in its core activities and a £52,000 contribution to project reserves by year-end within projects. It was noted that both core and projects budgets would be monitored closely in order to mitigate any significant variances. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

4 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2021/22 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 there were 72 current frameworks in the Scotland Excel portfolio with six further new frameworks to be added and 32 of these frameworks to be renewed before 30 June 2023. A further 19 of these frameworks had extension options that were likely to be exercised, with 12 of these extensions already approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 would be approximately £2 billion. It was noted that overall, efficiencies delivered to date in 2021/22 were 2.3%, which was within the forecast range.

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.

A summary of spend and forecast savings per Council for the period October 2020 to September 2021 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.60%.

DECIDED: That the progress made to date be noted.

Declaration of Interest

Councillor Di Mascio having previously declared an interest in the following item, left the meeting and took no part in the discussion or voting thereon.

5(a) **Contract for Approval: Pest Control Services and Associated Products (Update)**

Under reference to item 3 of the Minute of the meeting of this Sub-committee held on 18 February 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal framework for pest control services and associated products for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026.

It was noted that this report superseded the recommendations contained in the report approved by the Sub-committee on 18 February 2022 and subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 1 April 2022.

The framework covered the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories.

The report summarised the outcome of the procurement process for the framework which had been divided into two 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 participating in the framework.

Tender responses had been received from 11 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that all respondents had passed the first-stage qualification/selection assessment, however, one bidder was non-compliant having failed to upload a pricing schedule and had been advised accordingly. Further, that one bid had been withdrawn.

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 seven suppliers across the two lots, as outlined in Appendix 3 to the report.

It was noted that a 'standstill' procedure commenced on the basis of recommendations approved at the meeting of the Executive Sub-committee held on 18 February 2022. Following enquiries raised by contractors, the standstill procedure expired without any awards being made.

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 pest control services and associated products, as detailed in Appendix 3 to the report, be approved and that it be noted that this superseded the recommendations brought before members on 18 February 2022.

Sederunt

Councillor Di Mascio rejoined the meeting prior to consideration of the following item of business.

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

5(b) **Contract for Approval: Vehicle and Plant Hire**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for vehicle and plant hire for the period 21 February 22 to 20 February 2024, with the option to extend for a further two 12-month periods until 20 February 2026.

The framework covered the hire of vehicles and plant equipment on a variety of hire periods to support the requirement of councils' fleet and roads departments. It was noted that the use of hired equipment supplemented existing council assets and assisted with seasonal and intermittent demands as well as assisting with the increased demand for vehicles to support ongoing social distancing measures.

The report summarised the outcome of the procurement process for the framework which had been divided into 12 lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised with an estimated value of £60 million per annum, over the four-year term of the framework, and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts.

Tender responses had been received from 64 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that two responses were deemed non-compliant for all lots in which they tendered and had been advised that their offers would not be considered further. Further, that one response had been deemed partially non-compliant and had been advised their offer would not be considered further for one lot and that they had been recommended for partial award to the framework.

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 56 suppliers across the 12 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 vehicle and plant hire, as detailed in Appendix 3 to the report, be approved.

6(a) **Request for Associate Membership: Clyde Gateway URC Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Clyde Gateway URC 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 Clyde Gateway URC 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.

6(b) **Request for Associate Membership: Scottish Ministers acting through Social Security Scotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that Scottish Ministers, acting through Social Security Scotland, 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 Scottish Ministers, acting through Social Security Scotland, to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

Declaration of Interest

Councillor Craik having previously declared interests in the next two items left the meeting and took no part in the discussion or voting thereon.

6(c) **Request for Associate Membership: Cireco (Scotland) LLP**

There was submitted a report by the Chief Executive of Scotland Excel advising that Cireco (Scotland) LLP 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 Cireco (Scotland) LLP to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

6(d) **Request for Associate Membership: Fife Golf Trust**

There was submitted a report by the Chief Executive of Scotland Excel advising that Fife Golf Trust 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 Fife Golf Trust to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

7 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 22 April 2022.