

Scotland Excel

To: Executive Sub-Committee

On: 18 March 2022

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

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2021/ 2022 contract delivery plan.

2. Progress to Date

As detailed in Appendices 1 – 4, the 2021/ 2022 contract delivery plan details new framework developments and renewals, framework extensions and frameworks with ongoing contract management only.

There are 72 current frameworks in the Scotland Excel contract portfolio, with 6 further new frameworks to be added and 32 of these frameworks to be renewed before 30 June 2023 (Appendix 1).

A further 19 of the frameworks on the current portfolio have extension options that are likely to be exercised, with 12 of these extensions already being approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 will be approximately £2Billion.

Overall, efficiencies delivered to date in 2021/ 2022 are 2.3%, which is within the forecast range.

A summary of spend and forecast savings per council between October 2020 and September 2021 can be found in Appendix 5, with an average forecast efficiency of c.1.60%.

In addition to the activity detailed in Appendices 1 - 4, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams.

The Care and Support Flexible Framework went live on 1 April 2020 (1318). The framework has currently 119 providers offering over 460 Services. The framework was re-opened in October 2021, enabling new providers to apply to join the framework from April 2022, and this is currently at final evaluation stage.

The Flexible Framework Agreement for the provision of Social Care Agency Workers is due to expire on 31 July 2022. The stakeholder engagement with commissioners and providers throughout December 2021 and January 2022, has informed the strategy to make improvements to the framework renewal, ongoing developments and implementation of the framework. A key aim of the strategy is to increase participation

from suppliers. An increased number of participating suppliers is anticipated to increase capacity in comparison to the existing framework. However, social care worker recruitment and retention is a national issue, the supply may continue to fail to meet demand particularly for certain roles and in harder to recruit areas. In addition, inflationary measures will require close monitoring against the framework fee rates so that they remain sustainable. The third-generation framework is anticipated to go live on 1 August 2022.

Negotiations in relation to the National Care Home Contract (NCHC) rates for 2022/23 are now close to reaching a conclusion. An offer will be made by Local Government to providers representatives to take to their providers.

The redesign of the NCHC will then be implemented with previously identified stakeholders being contacted to both update them and ensure continued commitment to this work with a planned initial meeting in April 2022.

Scotland Excel has been consulting with key stakeholders in relation to future plans for the national framework for Children's Residential Care & Education. This work sought to understand the potential impact on the sector of policy change coming from The Promise, and to determine how best to reflect this in the national arrangement. The renewal framework takes into consideration feedback gathered and the tender is due to be published in early March. The renewal framework is anticipated to go live on 1st August 2022.

Scotland Excel is providing support to the Improvement Service and Scottish Government for the development of a national procurement solution for Employability Services. User Intelligence Group (UIG) meetings have been held with councils, the Improvement Service and Scottish Government, to develop the strategy and procurement documentation. The Dynamic Purchasing System (DPS) opportunity was published in February 2022 and is anticipated to go-live from mid-May 2022. This national approach will sit alongside local commissioning and procurement arrangements.

Contract management and mobilisation of the New Build Residential Construction Framework continues in line with projections. Development for the next generation of this framework is at strategy stage with the award of this being planned for August 2023.

Scotland Excel has awarded the second-generation Energy Efficiency Contractors Framework which will provide members with an effective method of upgrading existing housing stock. Members can access a range of innovative energy efficiency measures to reduce carbon output and thereby household bills. There have been several enhancements to the framework which include a new lotting structure, the inclusion of a professional services lot and a per subplot per council area award encouraging bids from local contractors, SMEs and micro-businesses. Increased competition and capacity has been provided with 46 suppliers awarded a place on the renewal. Mobilisation activities have commenced to launch the framework and support early adopters of the renewal with their pipeline of retrofit works.

Food price inflation over recent months is an area of growing concern. Scotland Excel has received an unprecedented amount of pricing increase requests from suppliers in recent months. The Global Food index shows prices are surging, with Covid 19, Brexit, sustainability issues and bad weather all impacting the supply chain. Due to extreme weather the price of wheat is up 20%. The price of oats is increasing due to crops being down 44%. A major drought in Brazil is driving up coffee prices by 56% and sugar by 26%. The price of spices is also surging with ginger and garlic both up around 50%. We

are also seeing increased packaging costs, with pricing increasing 60% year on year, driven in part by high fuel costs. There is an increasing demand for cardboard packaging, driving prices up even further. Across the supply chain costs have increased due to the HGV driver crisis, and energy costs are increasing. Suppliers are reporting increases on essentials like milk, flour, oil, butter, and cheese.

The tender for The Supply & Delivery of Personal Protective Equipment (PPE) including Pandemic Recovery Items & Workwear is currently live with a closing date of Friday 18th March 2022. This tender has generated a large amount of interest in the market and has been accessed by 148 potential tenderers to date. The renewal framework is anticipated to go live on 1st June 2022. A second framework for Personal Protective Equipment to be reserved for supported businesses is also in development.

Tenders for the Supply and Delivery of Library Books and Textbooks, and Supply of Digital Publications and services are also live, with both renewal frameworks anticipated to go live on 1st August 2022.

Development work is underway for the renewal frameworks for the Supply & Distribution of Fresh Meats, Cooked Meats and Fresh Fish and Provision and Delivery of Washroom Solutions and Sanitary Products with both renewal frameworks anticipated to go live on 1st October 2022.

A new Category Manager has been appointed to oversee the management of the ICT and Digital category and to lead the development of sourcing strategies to deliver value for money and improved services for our members. The category manager will work with strategic partners such as the Digital Office for product/service development, research, innovation and working collaboratively to improve digital access across Scotland. Recruitment is under way to appoint procurement staff to support the category manager with project delivery.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts until June 2023

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
Waste Composition Analysis	750,000	New Contract	Jun-21		May-21		5.50%	0%	Approved by Executive Sub Committee May 2021. Contract effective 09/06/2021
Digital Telecare	4,000,000	New Contract	Apr-21			Aug-21	5.5%		Approved by Executive Sub Committee August 2021
Musical Instruments	1,750,000	New Contract	Oct-21	Nov-21		Dec-21	5.5%	5%	Approved by Executive Sub Committee December 2021
Electric Vehicle Charging Points	20,000,000	New Contract	Aug-20	Feb-22		Apr-22	5.5%		Tender evaluation being finalised. For approval at April Exec Sub-Committee
Building Construction Consultancy	18,750,000	New Contract	May-21	Mar-22		Oct-22	2% - 4%		Initially merged with Engineering Consultancy but delayed due to separate service offering. Tender development nearing completion.
Property Repair, Maintenance and Refurbishment	100,000,000	New Contract	Dec-22				2%-4%		Strategy development.
Personal Protective Equipment (Supported Businesses)	TBC	New Contract	Aug-22				2% - 4%		Initial intention was to tender this as a lot within the main PPE contract, however after legal advice this will be tendered as a separate opportunity. In development
Employability Services	TBC	New Contract	Apr-22				N/A		The Flexible DPS was published in February 2022 and is anticipated to go-live from mid-May 2022.
National Shared Digital Alarm Receiving Centre	1,000,000	New Contract	Aug-22						In development
Online School Payments	3,000,000	Renew	Apr-20	Apr-21		Sep-21	2% - 4%		Approved by Executive Sub Committee September 2021
Vehicle Parts	12,000,000	Renew	Jan-21	Apr-21	Apr-21		2% - 4%	14%	Approved by Executive Sub Committee April 2021.
Education and Office Furniture	5,000,000	Renew	Mar-21	May-21	Jun-21	Aug-21	2% - 4%	1.27%	Approved by Executive Sub Committee June 2021.
Fostering and Continuing Care	34,000,000	Renew	Mar-21		Jun-21	Jul-21	N/A	N/A	Approved by Executive Sub Committee June 2021.
Organic Waste	12,000,000	Renew	Apr-21		Jun-21	July'21	2%-4%	0%	Approved by Executive Sub Committee June 2021.
Energy Efficiency Contractors	200,000,000	Renew	May-21	Nov-21		Feb-22	2% - 4%	0%	Approved by Executive Sub Committee January 2022
Frozen Foods	25,000,000	Renew	Jul-21	Dec-22		Jan-22	2% - 4%	1.80%	Approved by Executive Sub Committee January 2022
Education Materials	17,500,000	Renew	Aug-21	May-21	Jun-21		2% - 4%	0.50%	Approved by Executive Sub Committee June 2021.
Pest Control Services	1,500,000	Renew	Nov-21	Nov-21		Jan-22	2% - 4%	-10.50%	Approved by Executive Sub Committee February 2022
Heavy Vehicles	25,000,000	Renew	Jan-22		Jan-22		2% - 4%	0%	Approved by Executive Sub Committee January 2022. Standstill completed and award being completed.

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
Tyres for Vehicles and Plant	6,500,000	Renew	Nov-21	Jan-22	Jan-22	Jan-22	2% - 4%	-10%	Approved by Executive Sub Committee January 2022. Framework now operational.
Recycle and Refuse Containers	8,000,000	Renew	Nov-21	Dec-21	Jan-22	Dec-21	2% - 4%	-4%	Approved by Executive Sub Committee December 2021. Framework now operational.
Milk	9,000,000	Renew	Mar-22			Nov-21	2% - 4%	-2.10%	Approved by Executive Sub Committee November 2021
Outdoor Play and Sports Facilities	15,000,000	Renew	Mar-21	Mar-22		Aug-22	2% - 4%		Tender released, closing end March.
Personal Protective Equipment	10,000,000	Renew	Mar-21	Mar-22		Apr-22	2% - 4%		Tender is currently out to the market, schedule to close March 2022
Laundry Equipment	1,100,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Bottled Gas	2,000,000	Renew	Nov-21	Not being renewed		Aug-22	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Initial decision was not to renew framework however after further discussion this will now be renewed summer 2022
Steeplejack Services	1,750,000	Renew	Dec-21	Oct-21		Jun-22	2% - 4%		Strategy approved. Delays due to legal support.
Vehicle and Plant Hire	15,000,000	Renew	Nov-21	Feb-22		Mar-22	2% - 4%		Submitted for approval to Executive Sub-Committee, March 2022
Water Coolers	1,500,000	Renew	Jan-22	Feb-22		Apr-22	2% - 4%		Delays due to legal support
Repair of Catering Machines	2,000,000	Renew	Jan-22	Feb-22		Apr-22	2% - 4%		Tender is currently out to the market, schedule to close March 2022
Library Books & Textbooks	14,000,000	Renew	Feb-22	Mar-22		Apr-22	2% - 4%		Tender is currently out to the market, schedule to close March 2022
Digital Publications and Services	1,000,000	Renew	Feb-22	Mar-22		Apr-22	2% - 4%		Tender is currently out to the market, schedule to close March 2022
Trade Materials	10,000,000	Renew	Feb-22			Apr-23	2% - 4%		Regulation 72 extension approved until March 2023 to align with launch of merged Construction Materials renewal.
Children's Residential	158,300,000	Renew	Mar-22			Jun-22	n/a		Tender due to be published March 2022.
Fire Safety Products	2,500,000	Renew	Apr-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Roadstone	5,000,000	Renew	Jul-22			Oct-22	2%-4%		In strategy development
Salt for winter maintenance	16,250,000	Renew	Jul-22			Oct-22	2%-4%		In strategy development
Street Lighting Materials	35,000,000	Renew	Aug-22			Oct-22	2%-4%		In strategy development
Road Maintenance Materials	2,500,000	Renew	Sep-22			Jan-23	2%-4%		Pending

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
First Aid Materials	2,000,000	Renew	Sep-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Washroom Solutions	14,000,000	Renew	Sep-22				2%-4%		Strategy in development
Fresh Meats, Cooked Meats and Fresh Fish	40,000,000	Renew	Sep-22				2%-4%		Strategy in development
Commercial Catering Equipment	4,000,000	Renew	Oct-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Telecare Goods	9,000,000	Renew	Oct-22				2%-4%		Pending
Road Signage	1,250,000	Renew	Nov-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Hot Beverages	1,000,000	Renew	Dec-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Energy Advice	1,000,000	Renew	Dec-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Janitorial Products	12,000,000	Renew	Jan-22				2%-4%		Pending
Cleaning Equipment	2,000,000	Renew	Mar-23				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Vending Machines	1,000,000	Renew	Mar-23				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Audio Visual Equipment	7,500,000	Renew	Mar-23				2%-4%		Pending
Grounds Maintenance Equipment	6,000,000	Renew	Mar-23				2%-4%		Pending
Light & Heavy Plant	10,000,000	Renew	Mar-23				2%-4%		Pending
Construction Materials	70,000,000	Renew	Apr-23				2%-4%		Opportunity Assessment
Asbestos related works and services	12,000,000	Renew	Jul-23				2%-4%		Pre-strategy
Lift Maintenance (OSS)	1,250,000	New Contract	Mar-20	Mar-21		Cancelled	5.5%		After consulting with members it is not a viable option to take forward as a tender exercise. Can be discussed further at commercial UIGs should this be a requirement
Swimming Pool Chemicals	1,250,000	Renew	Jan-22			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Laundry Equipment	1,100,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.

Appendix 2 – Flexible Contracts until June 2023

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	In Progress	The framework is currently open for new providers to apply to join. It is anticipated that successful new providers will be able to offer services under the framework from April 2022
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	TBC	The survey findings have indicated that there was sufficient interest to initiate discussions at a future User Intelligence Group (UIG) to further develop the framework and reopening pending market consultation.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	TBC	Determined by the requirements of Purchasing Authorities. To be retendered, date to be confirmed with suppliers joining for 1st August 2022.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS

Appendix 3 – Contracts with extension options and contract management activity ongoing until June 2023

Contract Description	Est Annual Value
Boiler Maintenance	£10,000,000
Grounds Maintenance Equipment	£6,000,000
Groceries and Provisions	£30,000,000
Fresh Bread Rolls and Bakery Products	£1,500,000
Fresh Fruit and Vegetables	£1,500,000
Hot Beverages (OSS)	£1,000,000
Energy Advice (OSS)	£1,000,000
Vending Machines (OSS)	£1,250,000
Cleaning Equipment (OSS)	£2,250,000
Alcoholic Beverages (OSS)	£1,250,000
Sheriff Officers (OSS)	£1,100,000
Technology Enabled Care	£6,300,000
Demolition Services	£18,000,000
New Build Residential Construction	£375,000,000
Catering Sundries	£6,000,000
Community Meals	£4,000,000
Building and Timber	£15,000,000
Electrical Materials	£20,000,000
Plumbing and Heating Materials	£22,500,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing until June 2023

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Bitumen Products	£12,000,000	Security Services and Cash Collection	£12,500,000
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Vehicle Parts	£12,000,000	Vehicle Purchase RM6060	£10,000,000
Fostering and Continuing Care	£34,000,000	Waste Disposal Equipment	£1,250,000
Organic Waste	£12,000,000	Supply Teacher Booking System	£300,000
Engineering and Technical Consultancy	£17,125,000	Domestic Furniture and Furnishings	£26,000,000

Appendix 5 – Expenditure summary per Council: Oct'20 – Sept'21

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend	Sum of Estimated Saving	% Saving
The City of Edinburgh Council	£39,987,116	£33,109,640	120.8%	6.75%	£631,658	1.58%
Fife Council	£38,918,198	£113,830,198	34.2%	6.57%	£602,347	1.55%
Glasgow City Council	£36,769,386	£52,272,326	70.3%	6.20%	£639,506	1.74%
South Lanarkshire Council	£33,876,205	£68,353,317	49.6%	5.71%	£416,797	1.23%
Aberdeenshire Council	£29,420,195	£38,601,689	76.2%	4.96%	£346,644	1.18%
West Lothian Council	£27,501,229	£28,511,556	96.5%	4.64%	£287,389	1.05%
Associate Members	£27,061,048	£57,307,040	47.2%	4.57%	£394,177	1.46%
Aberdeen City Council	£26,396,618	£36,616,513	72.1%	4.45%	£421,544	1.60%
Falkirk Council	£25,675,741	£45,162,210	56.9%	4.33%	£822,473	3.20%
The Highland Council	£21,431,480	£28,557,287	75.0%	3.62%	£118,527	0.55%
North Lanarkshire Council	£21,407,270	£58,483,545	36.6%	3.61%	£438,544	2.05%
West Dunbartonshire Council	£21,021,843	£26,458,330	79.5%	3.55%	£358,234	1.70%
North Ayrshire Council	£20,641,389	£51,213,503	40.3%	3.48%	£263,685	1.28%
Dundee City Council	£20,535,563	£15,168,159	135.4%	3.46%	£247,799	1.21%
Renfrewshire Council	£17,443,568	£39,133,593	44.6%	2.94%	£437,176	2.51%
Dumfries and Galloway Council	£16,578,970	£13,303,746	124.6%	2.80%	£290,471	1.75%
East Lothian Council	£14,563,425	£13,467,970	108.1%	2.46%	£157,540	1.08%
Scottish Borders Council	£14,360,589	£13,365,241	107.4%	2.42%	£62,915	0.44%
Stirling Council	£12,877,596	£9,092,157	141.6%	2.17%	£134,166	1.04%
Perth and Kinross Council	£12,534,060	£10,935,017	114.6%	2.11%	£335,159	2.67%
East Ayrshire Council	£12,466,984	£16,487,438	75.6%	2.10%	£284,182	2.28%
South Ayrshire Council	£11,498,180	£20,140,062	57.1%	1.94%	£123,004	1.07%
Argyll and Bute Council	£10,957,999	£10,159,531	107.9%	1.85%	£240,646	2.20%
East Dunbartonshire Council	£10,929,791	£10,615,125	103.0%	1.84%	£188,626	1.73%
Tayside Contracts	£9,993,624	£12,126,059	82.4%	1.69%	£104,039	1.04%
Clackmannanshire Council	£9,837,832	£12,967,326	75.9%	1.66%	£169,446	1.72%
The Moray Council	£9,447,019	£23,340,404	40.5%	1.59%	£84,695	0.90%
Midlothian Council	£8,856,847	£12,085,461	73.3%	1.49%	£113,126	1.28%
East Renfrewshire Council	£8,399,837	£12,278,294	68.4%	1.42%	£327,736	3.90%
Inverclyde Council	£7,816,235	£8,011,690	97.6%	1.32%	£214,607	2.75%
Angus Council	£7,304,596	£17,136,460	42.6%	1.23%	£101,146	1.38%
Orkney Islands Council	£2,584,980	£2,263,771	114.2%	0.44%	£19,366	0.75%
Shetland Islands Council	£2,026,555	£3,131,691	64.7%	0.34%	£30,663	1.51%
Comhairle nan Eilean Siar	£1,656,528	£5,078,861	32.6%	0.28%	£77,666	4.69%
Total	£592,778,494	£918,765,208	64.5%	100%	£9,485,696	1.60%