

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

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

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh 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); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Josh Wilson (South Lanarkshire Council)

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener)

Further Information

If you require further information in relation to this meeting please call 0141 618 7111.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|-------------|---|----------------|
| 1 | Minute | 3 - 10 |
| | Minute of meeting of the Executive Sub-committee held on 28 January 2022. | |
| 2 | Fair Work and Living Wage Update | 11 - 16 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Contract for Approval: Pest Control Services and Associated Products | 17 - 34 |
| | Report by Chief Executive of Scotland Excel. | |
| 4(a) | Request for Associate Membership: Fife Sports and Leisure Trust Limited | 35 - 36 |
| | Report by Chief Executive of Scotland Excel. | |
| 4(b) | Request for Associate Membership: Scottish Water | 37 - 38 |
| | Report by Chief Executive of Scotland Excel. | |
| 4(c) | Request for Associate Membership: Thenue Housing Association Limited | 39 - 40 |
| | Report by Chief Executive of Scotland Excel. | |
| 5 | Date of Next Meeting | |
| | Note that the next meeting of the Executive Sub-committee will be held at 9.30 am on 18 March 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.

Scotland Excel

To: Executive Sub-Committee

On: 18 February 2022

**Report by:
Chief Executive of Scotland Excel
Fair Work and Living Wage Update**

1. Introduction

The purpose of this report is to provide the members of the Executive Sub Committee with an update on matters related to Fair Work including the Living Wage.

2. Background

Scotland Excel have been addressing Fair Work in procurement since the introduction of Statutory Guidance in October 2015 and working within the applicable legislative framework, has been committed to encouraging suppliers/contractors to pay the real Living Wage.

Statutory guidance on addressing Fair Work practices states the following guiding principles:

- A bidder's employment practices and its approach to its workforce can have a direct impact on the quality of service it delivers and, sometimes, of the goods it supplies and works performed;
- Wherever it can be deemed relevant to quality of service or goods or delivery/performance of the contract, it is important to ensure that a bidder's employment practices and approach to the workforce it will engage to perform the contract is evaluated as part of the procurement exercise;
- Fair pay, including payment of the living wage, is one of the ways a bidder can demonstrate that it takes a positive approach to its workforce;
- Consideration of the bidder's approach to employment practices and workforce matters must be proportionate and based on the nature, scope, size and place of the performance of the contract.
- The purchaser must consider the bidder's overall approach to employment practices and workforce matters – this should include all relevant evidence, including remuneration and employee representation, demonstrating the employer's approach to being a good employer delivering good quality services

The real Living Wage is a voluntary wage rate of pay which is calculated by the Resolution Foundation and overseen by the Independent Living Wage Commission. These figures are calculated annually and announced in October / November. The real Living Wage should not be confused with the mandatory National Minimum Wage (including the “national living wage”) which is the legal minimum an employer must pay an employee and is set by the UK Government.

The real Living wage calculation takes into account the Joseph Rowntree Foundation Minimum Income Standard research in which members of the public identify what is needed for a minimum income standard of living. This is then combined with an analysis of the actual cost of living, including essentials like rent, council tax, childcare, and transport costs for different family types to produce the hourly real Living Wage figure, sufficient to ensure that the recipient may enjoy an acceptable standard of living of living in United Kingdom (outside of London where a different living wage is set) to ensure good health, adequate child development and social inclusion.

Research shows that paying the real Living Wage helps businesses recruit and retain better staff, reduce absenteeism, encourage higher productivity and 93% of businesses say that Living Wage accreditation has improved their reputation.

To date Legal advice and policy has allowed encouragement of the Living Wage but prohibited imposition. Additionally, it has been the case that even in circumstances where the Living Wage is negotiated with suppliers/contractors, supplier/contractors who do not to pay the Living Wage cannot be penalised in the tender or subsequent contractual process. This has meant that public bodies are unable to make payment of the real Living Wage a mandatory requirement as part of a competitive procurement process

3. Recent Updates

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

The five Fair Work criteria being:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- providing fair pay for workers (for example, payment of the real Living Wage)

On 15th March 2021 the Scottish Government published a Scottish Procurement Policy Note (SPPN 3/2021) setting out action for public bodies to apply Fair Work First criteria in regulated procurement processes that commence from 1 April 2021.

On 24th September 2021 the Scottish Government published a Scottish Procurement Policy Note (SPPN 6/2021) advising that Fair Work First has been expanded from 5 elements to 7 elements and that SPPN 6/2021 superseded SPPN 3/2021 which was now withdrawn.

The additional 2 elements/criteria are:

- offer flexible and family friendly working practices for all workers from day one of employment; and
- oppose the use of fire and rehire practices.

On 15th October 2021 we received a general communication from Nick Ford, Director, Procurement & Property, The Scottish Government informing us that Scottish Government believe it is possible to mandate the real Living Wage in public contracts where:

- Fair Work First practices, including payment of the real Living Wage is relevant to how the contract will be delivered;
- it does not discriminate amongst potential bidders;
- it is proportionate to do so, and
- the contract will be delivered by workers based in the UK.

Additionally, the Minister for Business, Trade, Tourism and Enterprise announced that, the Scottish Government will be implementing this change to all new contracts with immediate effect.

4. Issues Arising/On-going Considerations

It should be noted that the Scottish Government advise that the content of Scottish Procurement Policy Notes (SPPNs) are not legal advice, should not be construed as such and public bodies are advised to seek their own legal advice in relation to any questions and issues they may have

Contracting authorities that are covered by Public Procurement Regulations (this includes Scotland Excel and Councils) are obliged to treat bidders equally and without discrimination and to act in a transparent and proportionate manner. This requirement is already embedded in Scotland Excel's Contract Standing Orders.

At time of writing this report the existing suite of Fair Work in Procurement guidance, including the Statutory Guidance and Best Practice Guidance has not as yet been updated to reflect the change indicated in the most recent communication from Scottish Government regarding their revised approach to mandating payment of the real Living Wage.

Public bodies should apply the Fair Work First criteria in any regulated procurement process, where relevant and proportionate to do so. Fair Work First criteria will be relevant where the way the workforce is engaged will impact on the way the contract is performed. This will be particularly relevant in service and works contracts, where the workforce makes a significant contribution to the way the

contract is delivered. In goods contracts the Fair Work First criteria may also be relevant.

Mandating of the real Living Wage at a Framework level could potentially have significant financial implications for Councils in terms of overall contract costs (particularly in areas such as Social Care, Security and Food related contracts). Management of the extent of these potential implications could be limited if the mandating is prescribed at a framework level. It should be noted, however, that good progress has been made to date in consideration of fair work practices across the Scotland Excel framework portfolio. For example, of the 1138 suppliers appointed since formal consideration was embedded in tender activity, 981 (86.2%) have confirmed that they pay the living wage. Visibility of this included within mobilisation packs issued to councils at framework commencement, and work is ongoing to establish the value of the contracts awarded by councils to those suppliers.

Whilst we require that all contractors comply with their obligations in law relative to employees (such as to pay the 'national living wage' as a minimum) the legal position regarding mandating the real Living Wage is not fully clear and questions have been raised such as:

- *Will suppliers be required to provide any evidence (what form will this be) re the payment of the real Living Wage or will this be a self-declaration?*
- *Will real Living Wage conditionality require the supplier to pay all/majority of staff the real Living Wage or is it acceptable for the supplier to only pay the staff supporting delivery of the specific contract*
- *How will it be determined that real Living Wage conditionality will not discriminate amongst bidders?*

It is hoped that these areas and the position overall should be clarified further upon the planned update to the current Statutory Guidance and SPPN's.

5. Conclusion

To date and in line with general Legal advice Scotland Excel have consistently applied Fair Work Criteria and strongly promoted/encouraged payment of the real Living Wage

Scotland Excel will continue to drive the relevant, social, economic, and environmental outcomes through our procurement activity.

Fair Work will continue to be included within the quality evaluation of all frameworks. The weightings attributed to each framework will be proportionate to the likely impact on quality for that particular framework and will therefore be assessed on a case-by-case basis. It is anticipated that this will 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 Scottish Government regarding their revised approach to mandating payment of the real Living Wage Scotland Excel will now, on a contract by contract basis, look further into the ways in which where appropriate we could, within the law, consider and mandate the real Living Wage.

Members of the Executive Sub Committee are invited to note this update on matters related to Fair Work including the Living Wage.

Scotland Excel

To: Executive Sub-Committee

On: 18 February 2022

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

Tender: Pest Control Services and Associated Products

Schedule: 1221

Period: 1 February 2022 until 31 January 2025 with an option to extend for up to one further 12-month period until 31 January 2026

1. Introduction and Background

This recommendation is for the award of a renewal framework for Pest Control Services and Associated Products.

The proposed framework was advertised for the period from 1 February 2022 to 31 January 2025. Subject to approval and completion of the standstill period, the framework is intended to commence on or around 1 March 2022.

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

The report summarises the outcome of the procurement process for this national framework arrangement.

2. Scope, Participation and Spend

This framework was developed in conjunction with procurement and operational stakeholders from councils with the aim of supporting pest control services in indoor and outdoor council environments.

Following information from interested councils, an amended lotting structure for the renewal framework was agreed, as detailed in Table 1.

Table 1: Lotting Structure

Lot Number	Lot Name	Estimated % of Spend
Lot 1	Pest Control Services	75%
Lot 2	Pest Control Chemicals	25%

The lotting structure recognises the importance of councils being able to purchase pest control services and chemicals whilst allowing access for a range of suppliers to bid.

As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework and all 32 councils were included in the advertised contract notice.

The framework was advertised at a total value of £1 million per annum, which equates to an estimated spend of £4 million over the maximum 4-year term of the framework. This advertised spend allows for increased participation from councils and associate members not currently utilising the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published in relation to this framework on 13 July 2021 which resulted in expressions of interest from 25 companies. A number of supplier engagement meetings were held to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from bidders including SME's.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 15 November 2021, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the legal guidelines and procedures currently in place.

As this tender was developed by the Operational Supplies and Services team, the commercial user intelligence group steering group (CUIG-SG) have endorsed a 'fast-tracked' approach to opportunities meaning a more flexible approach to stakeholder engagement was taken. As a matter of best practice and to ensure that the framework aligned with the councils' requirements, a programme of consultation was conducted to understand their current purchasing practices and future requirements that could be covered by this framework. This information was used to generate the specifications and selection/award criteria.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus pandemic. Balancing the current situation with the need to provide a route to market for councils to obtain pest control services and associated products, Scotland Excel has determined to proceed with the tender exercise to establish the above framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and determined it was appropriate to undertake this renewal tender exercise and recommend the establishment of this framework.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria of:

- Technical 20%
- Commercial 80%

Within the technical section, suppliers were required to evidence their knowledge and experience by responding to a series of technical areas which are detailed within table 2 below.

Table 2 : Technical Section weighting

Description	Weighting
Fair Work Practices	3
Community Benefits	2
Sustainability, Stock Holding and Supply Chain	6
Customer Service, Service Delivery and Contract Management	9
Total score	20

Within the commercial section, bidders' commercial scores were evaluated on a lot-by-lot basis in accordance with the published methodology.

The commercial section of the tender was worth 80 points.

4. Report on Offers Received

The tender document was downloaded by 19 organisations, with 11 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

All respondents passed the first stage qualification/selection assessment. However, one bidder was non-compliant having failed to upload a pricing schedule and has been advised accordingly. One bid was withdrawn.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out above, it is recommended that a multi-supplier framework arrangement is awarded to 5 suppliers across two lots as outlined in Appendix 3.

The 5 recommended suppliers offer best value and represent a mix of small, medium and large companies.

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

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise based on available historic spend information, the outcome of which is detailed in Appendix 1.

The projected average on cost is 10.5%. which equates to an estimated total on cost of approximately £26,000 per annum across all councils based on current forecast spend levels. Given the market movement forecast of 10% over the period of the current framework as demonstrated in figure 1, the impact through transition to the new framework is more tangible estimate at an on cost of 0.5%, or c.£1,240 across all councils.

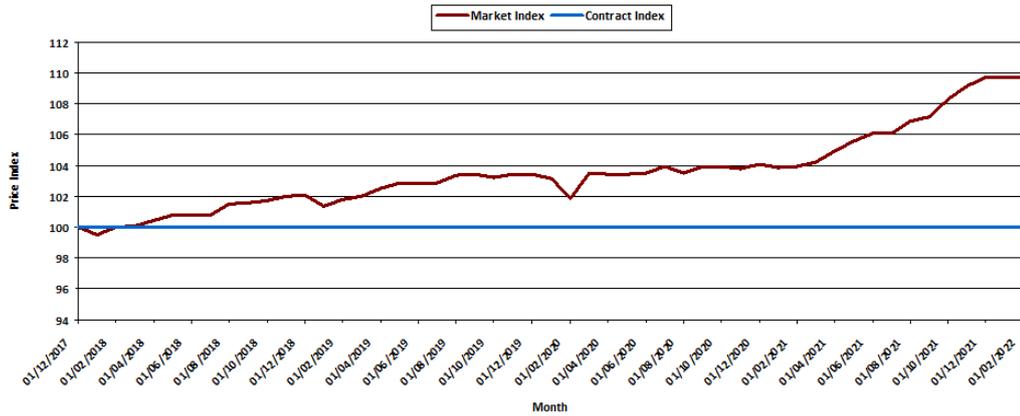
Figure 1 Indexation Report

Indexation Report - Pest Control Services



Schedule No: 1217
 Contract Title: Pest Control Services and Associated Products
 Contract Manager: June Baxter
 Start Date: 08/12/2017

Index	Type	Index Weighting (%)
Consumer Price Index	Standard	100



Notes:
 The Contract Index tracks the general movement in contract prices and not the actual contract price paid. The Market Index tracks the general market movement against a weighted basket of relevant indices and not the current index levels. This report should be used as a guide only.

Produced by Scotland Excel - 03/02/2022

Price Stability

All recommended suppliers have agreed with the special conditions of framework which states that suppliers will hold their prices firm for the first 12 months of the contract.

After the initial 12-month period, suppliers may submit a price increase on an annual basis. Any price increase will not exceed the rate of the Consumer Price Index (CPI) increase in the preceding 12 months and all requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included method statements to cover sustainability, stock holding and supply chain management?.

A range of sustainable measures were outlined by suppliers including the following examples:-

One supplier has set out on the journey to carbon neutrality with a 'declaration of commitment' made using the British standard PAS 2060 "Specification for

the demonstration of Carbon neutrality". In the period 1 January 21 – 30 June 21 they made a saving of 47 tonnes of CO2e by using electrical power sourced from wind, hydro and solar renewables.

Another supplier stated their ambition is for 100% of waste material to be reused, recycled or repurposed for energy by 2035. They are aiming to achieve this through some of the following initiatives:

- Continue to challenge suppliers to reduce and ultimately eliminate single-use, non-recyclable plastic.
- Pre-sort and recycle cardboard, paper, plastic, batteries, circuit boards, aerosols, vending cups and mobile phones.
- Recycle all old uniforms and PPE, with bins at each branch.
- In 2020 introduced several schemes to reduce paper usage, including Adobe Sign which has already accounted for over 4,000 documents (c.20,000 pieces of paper saved)

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for its members. Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These are reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework.

Of the recommended suppliers, 4 have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed suppliers to drive maximum adoption and delivery of community benefits where appropriate.

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

- employability events and training sessions to council apprentices
- employability workshop or events in schools, college or community groups
- sponsorship of local sports teams and community events
- donations of products and vouchers
- recruitment of apprentices
- recruitment of full-time employees

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework, and this will also be reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a 6 monthly basis

Fair Work Practices including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 5 recommended suppliers 3 currently pay the Real Living Wage - one supplier is fully accredited; one supplier is currently progressing with the accreditation process and one supplier has committed to gaining accreditation within the first two years of the framework. Two suppliers do not currently pay the real living wage. Scotland Excel will continue to monitor their status and work with them to encourage a review of their approach.

Appendix 4 shows a breakdown of responses received from Tenderers on their approach to fair work practices and their position on the payment of the Real Living Wage.

7. Contract Mobilisation and Management

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

In accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class D. As such, it will require Annual supplier contact, annual surveys and an optional annual UIG. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service delivery for our members.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This framework for pest control and associated products maximises collaboration, promotes added value and delivers best value in terms of price, quality, and service.

The Executive Sub Committee is requested to approve the recommendations detailed in Section 5 (Recommendations) of the report, to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary 1221 Pest Control Services and Associated Products

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 March 2022	£1,017	Supplier MI	10.0%	-10.5%	-£107	Benchmark against current contract
Aberdeenshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Angus Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Argyll & Bute Council	Yes	01 March 2022	£25,131	Member Confirmed	10.0%	-10.5%	-£2,636	Benchmark against current contract
City of Edinburgh Council	Yes	01 March 2022	£13,470	Supplier MI	10.0%	-10.5%	-£1,413	Benchmark against current contract
Clackmannanshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Comhairle nan Eilean Siar	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Dumfries & Galloway Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Dundee City Council	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Ayrshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Dunbartonshire Council	Yes	01 March 2022	£17,116	Member Confirmed	10.0%	-10.5%	-£1,795	Benchmark against current contract
East Lothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Renfrewshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Falkirk Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Fife Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Glasgow City Council	Yes	01 March 2022	£138,000	Member Confirmed	10.0%	-10.5%	-£14,476	Benchmark against current contract
Highland Council	Yes	01 March 2022	£1,740	Supplier MI	10.0%	-10.5%	-£183	Benchmark against current contract
Inverclyde Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Midlothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Moray Council	Yes	01 March 2022	£12,695	Supplier MI	10.0%	-10.5%	-£1,332	Benchmark against current contract
North Ayrshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
North Lanarkshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Orkney Islands Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Perth & Kinross Council	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Renfrewshire Council	Yes	01 March 2022	£20,160	Supplier MI	10.0%	-10.5%	-£2,115	Benchmark against current contract
Scottish Borders Council	Yes	01 March 2022	£10,744	Supplier MI	10.0%	-10.5%	-£1,127	Benchmark against current contract
Shetland Islands Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
South Ayrshire Council	Yes	01 March 2022	£2,912	Supplier MI	10.0%	-10.5%	-£295	Benchmark against current contract
South Lanarkshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Stirling Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
West Dunbartonshire Council	Yes	01 March 2022	£5,020	Supplier MI	10.0%	-10.5%	-£527	Benchmark against current contract
West Lothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Tagside Contracts	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Totals			£247,904			-10.5%	-£26,005	
Associate Members	Yes	01 March 2022	£1,128	Supplier MI	10.0%	-10.5%	-£118	Benchmark against current contract
Totals			£249,032			-10.5%	-£26,123	

Appendix 2 – List of Tenderers with SME Status

Tenderer's Name	SME Status	Location	Lot Tendered	Lot Awarded
D Anderson trading as Anderson Pest Prevention and Environmental Services	Micro	Moray	1	N/A
Caledonian Maintenance Services Limited	Medium	Glasgow	1	N/A
Contego Environmental Services Ltd	Medium	Newton Aycliffe	1	1
Excel Environmental Services Ltd.	Small	Paisley	1	N/A
Graham Environmental Services Limited	Small	Blairgowrie	1	N/A
Killgerm Chemicals Limited	Medium	Ossett	2	2
Horizon Environment Services Limited t/a Pestokill	Medium	Leigh	1	1
Rca Pest Services Ltd T/A Pest Solutions	Small	Hamilton	1	1
Rentokil Initial UK Ltd T/A Rentokil Pest Control UK	Large	Crawley	1	1
Terminix UK Ltd	Medium	Gloucester	1	N/A

Appendix 3 - Scoring and Recommendations

Lot 1 Pest Control Services		
Tenderer	Score	Awarded (Yes/No)
Contego Environmental Services Ltd	95.50	Yes
Horizon Environment Services Limited t/a Pestokill	73.92	Yes
Rentokil Initial UK Ltd T/A Rentokil Pest Control UK	63.46	Yes
Rca Pest Services Ltd T/A Pest Solutions	58.64	Yes
Terminix UK Limited	47.77	No
Caledonian Maintenance Services Limited	40.02	No
D Anderson trading as Anderson Pest Prevention and Environmental Services	38.71	No
Excel Environmental Services Ltd.	38.10	No
Graham Environmental Services Limited	N/C	No

Lot 2 Pest Control Chemicals		
Tenderer	Score	Awarded (Yes/No)
Killgerm Chemicals Limited	89.75	Yes

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
Contego Environmental Services Ltd	Yes					
Killgerm Chemicals Limited						Yes
Horizon Environment Services Limited t/a Pestokill			Yes			
Rca Pest Services Ltd T/A Pest Solutions		Yes				
Rentokil Initial UK Ltd T/A Rentokil Pest Control UK						Yes

Appendix 5 – Segmentation classifications

1221 Pest Control Services and Associated Products is classified as class.

There are five segmentation classifications, and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.

Scotland Excel

To: Executive Sub-Committee

On: 18 February 2022

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

Request for Associate Membership of Scotland Excel by Fife Sports & Leisure Trust Limited

1. Background

- 1.1 Scotland Excel operates an Associate programme to allow access to its frameworks and services to a wide range of other public service orientated bodies. Applications can be made for Associate Membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which are in place for our members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

2. Organisation Background

- 2.1 Fife Sports & Leisure Trust Limited is a private company limited by guarantee without share capital, and a registered Scottish charity. Fife Sports & Leisure Trust Limited is an arms-length external organisation of Fife Council and is responsible for the operational management, delivery and development of the local authority's sports and leisure facilities.
- 2.2 Fife Sports & Leisure Trust Limited is an accredited real living wage employer.

3. Associate Membership Process

- 3.1 Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access. It is confirmed that satisfactory validation checks have been completed in relation to this application.
- 3.2 Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, Fife Sports & Leisure Trust Limited can be recommended for associate membership access in accordance with the Local Authorities (Goods and Services) Act 1970, section 1 (1B)(c) as a public authority or body. Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.
- 3.3 Fees are determined in a number of ways:

Arms-Length External Organisations (ALEOs) related to local authority members pay no fee as this is covered within requisition fees.

National Health Service (NHS) bodies, Colleges and Universities, and Non departmental bodies of the Scottish Government pay no fee under a reciprocal agreement that allows local authorities to utilise contracts created by the relevant procurement centres of expertise.

All other associate fees are calculated on a standard methodology agreed by committee. e.g. Housing Associations pay based on the number of houses within their portfolio.

4. Recommendations

- 4.1 It is recommended to committee that Fife Sports & Leisure Trust Limited's application to join Scotland Excel as an associate member be approved, with no annual fee subject to the agreement document.

No fee will be charged due to their status as an arms-length external organisation of a local authority as their associate membership is considered as part of the overall local authority membership.



Scotland Excel

To: Executive Sub-Committee

On: 18 February 2022

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

Request for Associate Membership of Scotland Excel by Scottish Water

1. Background

- 1.1 Scotland Excel operates an Associate programme to allow access to its frameworks and services to a wide range of other public service orientated bodies. Applications can be made for Associate Membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which are in place for our members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

2. Organisation Background

- 2.1 Scottish Water is a public corporation established by statute, namely, the Water Industry (Scotland) Act 2002 with Scottish Ministers setting their objectives. Scottish Water are responsible for providing water and waste water services to household customers and wholesale Licensed Providers. Scottish Water delivers the investment priorities of Ministers within the funding allowed by the Water Industry Commission for Scotland.
- 2.2 Scottish Water is an accredited real living wage employer.

3. Associate Membership Process

- 3.1 Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access. It is confirmed that satisfactory validation checks have been completed in relation to this application.
- 3.2 Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, Scottish Water can be recommended for associate membership access in accordance with the Local Authorities (Goods and Services) Act 1970, section 1 (1B)(b) as a public authority or body. Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.
- 3.3 Fees are determined in a number of ways:

Arms Length External Organisations (ALEOs) related to local authority members pay no fee as this is covered within requisition fees.

National Health Service (NHS) bodies, Colleges and Universities, and Non departmental bodies of the Scottish Government pay no fee under a reciprocal agreement that allows local authorities to utilise contracts created by the relevant procurement centres of expertise.

All other associate fees are calculated on a standard methodology agreed by committee. e.g. Housing Associations pay based on the number of houses within their portfolio.

4. Recommendations

- 4.1 It is recommended to committee that Scottish Water's application to join Scotland Excel as an associate member be approved, with no annual fee as part of the reciprocal agreement and subject to the agreement document.

Scotland Excel

To: Executive Sub-Committee

On: 18 February 2022

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

Request for Associate Membership of Scotland Excel by Thenue Housing Association Limited

1. Background

- 1.1 Scotland Excel operates an Associate programme to allow access to its frameworks and services to a wide range of other public service orientated bodies. Applications can be made for Associate Membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which are in place for our members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

2. Organisation Background

- 2.1 Thenue Housing Association Limited is located in Glasgow and has housing stock of 2,974 properties with a vision of "working together, we create better homes and stronger communities ... making people happy". Thenue Housing Association Limited is a Registered Society (under the Co-operative and Community Benefit Societies Act 2014), and a Registered Social Landlord.
- 2.2 Thenue Housing Association Limited is an accredited real living wage employer.

3. Associate Membership Process

3.1 Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access. It is confirmed that satisfactory validation checks have been completed in relation to this application.

3.2 Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, Thenue Housing Association Limited can be recommended for associate membership access the basis of the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(c). Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.

3.3 Fees are determined in a number of ways:

Arms-Length External Organisations (ALEOs) related to local authority members pay no fee as this is covered within requisition fees.

National Health Service (NHS) bodies, Colleges and Universities, and Non departmental bodies of the Scottish Government pay no fee under a reciprocal agreement that allows local authorities to utilise contracts created by the relevant procurement centres of expertise.

All other associate fees are calculated on a standard methodology agreed by committee. e.g. Housing Associations pay based on the number of houses within their portfolio.

4. Recommendations

4.1 It is recommended to committee that Thenue Housing Association Limited's application to join Scotland Excel as an associate member be approved, with an annual fee of £4,461 subject to the agreement document.