

Scotland Excel

To: Executive Sub Committee

On: 10 February 2017

**Report
by
Director Scotland Excel**

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2016/2017 contract delivery plan.

2. Progress to Date

As detailed in appendices 1 – 3, the 2016/2017 contract delivery plan comprises framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

Contract delivery remains very active, with 9 contracts delivered so far, and another 8 planned by March 2017. In addition, 13 contracts will have been extended over the course of the year. As such, the value of the portfolio is expected to grow to around £950m by April 2017. The significant increase in the forecast value is due to the tender for the framework for Energy Efficiency Contractors being released to the market at a value of £200m. The award recommendation is due to be presented in March, and given the complexity of the tender, delivery at that time remains at risk. The remainder of the construction category continues to grow, with the first collaborative contract for play ground equipment also due for delivery in March.

The operational contract portfolio has also shown growth, for example an increase of 80% in Education & Office Furniture, with Catering Sundries doubling in value to £6m. Extensive stakeholder engagement is underway to ensure that the next generation of the framework for Frozen Foods enables the councils to benefit from the experience gained, and the lessons learned, from the previous contract arrangements. Finally, work is ongoing to develop the mobilisation plan for the supply of light vehicles through the collaborative partnership with Crown Commercial Services.

Work continues to be undertaken in supporting contract management in care home services for older people, with 27 councils supporting the work plan, and agreeing funding for a further 3 years.

Overall, efficiencies delivered to date continue to be in line with the target set at 5%.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 - List of contracts to be renewed

2016/17

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
Groceries & Provisions	24,000,000	Renew	Mar-16		Mar-16		2% - 4%	8.3%	Presented and approved at Exec Sub Committee 04/03/16
Electrical Materials	14,000,000	Renew	Mar-16		Mar-16		2% - 4%	5.1%	Presented and approved at Exec Sub Committee 04/03/16
Waste Disposal Equipment	1,250,000	Renew	Mar-16		Mar-16		2% - 4%	5.0%	Presented and approved at Exec Sub Committee 04/03/16
Catering Sundries	6,000,000	Renew	Sep-16		Sep-16		2% - 4%	7.0%	Presented and approved at Exec Sub Committee 16/09/16
Domestic Furniture	20,000,000	Renew	Sep-16		Sep-16		2% - 4%	0.1%	Presented and approved at Exec Sub Committee 16/09/16
Vehicle Parts	12,000,000	Renew	Nov-16		Nov-16		2% - 4%	4.6%	Presented and approved at Exec Sub Committee 09/12/16
Bitumen	15,000,000	Renew	Mar-17			Feb-17	2% - 4%		Recommendation to be presented to the Executive Sub Committee on 10/02/17
Fostering	25,000,000	Renew	Mar-17			Feb-17	n/a		Recommendation to be presented to the Executive Sub Committee on 10/02/17
Secure Care	20,000,000	Renew	Mar-17			Feb-17	n/a		Recommendation to be presented to the Executive Sub Committee on 10/02/17
Engineering Consultancy	17,000,000	Renew	Mar-17			Feb-17	2% - 4%		Recommendation to be presented to the Executive Sub Committee on 10/02/17
Personal Protective Equipment	7,500,000	Renew	Jan-17			Mar-17	2% - 4%		Currently being evaluated. Moved to Executive Sub Committee on 31/03/2017
Education & Office Furniture	9,000,000	Renew	Mar-17			Mar-17	2% - 4%		Currently being evaluated. Moved to Executive Sub Committee on 31/03/2017
Education Materials	16,000,000	Renew	Mar-17			Jun-17	2% - 4%		Currently finalising revised strategy and ITT Development . Delay was to develop the revised strategy to allow for easier call-offs.

Appendix 2 – List of new contracts to be developed and delivered in 2016/17

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
Customer Services Platform	3,750,000	New contract	May-16		May-16		2% - 4%		Presented and approved at Exec Sub Committee 13/05/16 - This is a new workstream with nothing to benchmark against. Savings will be analysed when councils adopt
Street Lighting (Bulk Renewal of Luminaires)	5,000,000	New contract	May-16		May-16		2% - 4%	27.5%	Presented and approved at Exec Sub Committee 17/06/16
Demolition	16,000,000	New contract	Mar-15	Dec-15	Nov-16	Dec-16	2% - 4%	2% - 4%	Presented and approved at Exec Sub Committee 18/11/16. Benchmarking to assess savings was only possible for Lot 3 of this contract. Savings opportunities will be determined from Lots 1&2 via mini- competitions
Energy Efficiency Contractors	200,000,000	New contract	Mar-14	Dec-16		Mar-17	2% - 4%		Tender open on PCST with a closing date of 6th Feb. After investigating scope, value significantly increased from original estimate of £40m to £200M a year. Recommendation to be presented to the Executive Sub Committee on 31/03/2017
Playground Equipment & Artificial Surfaces	17,500,000	New contract	Mar-15	Dec-16		Mar-17	2% - 4%		Approved by UIG & recommendation to be presented to the Executive Sub Committee on 31/03/2017

Appendix 3 – Contracts with extension options and contract management activity ongoing in 2016/17

Contracts with extension options in 2016/17

Contract Description	Est Annual Value
Meats - Fresh, Prepared and Cooked (incl. Fresh Fish)	£ 7,000,000
Trade Materials	£ 7,667,000
Road Maintenance Materials	£ 2,500,000
Vehicle and Plant Hire	£ 20,000,000
Street Lighting Materials	£ 35,000,000
Tyres	£ 6,000,000
Roadstone	£ 35,000,000
Heavy Vehicles	£ 33,750,000
Agency Workers Social Care	£ 20,000,000
Asbestos	£ 8,000,000
Telecare & Telehealth Technologies	£ 3,400,000
On Line School Payments	£ 2,500,000
Signage	£ 2,000,000

Contracts with no renewal or extension activity but with ongoing contract management in 2016/17

Contract Description	Est Annual Value
Building and Timber Materials	£ 15,200,000
Children's Residential Care	£ 75,000,000
Frozen Foods	£ 13,000,000
Grounds Maintenance Equipment	£ 12,500,000
Heavy Plant	£ 12,500,000
Janitorial Products	£ 9,000,000
Light Vehicles	£ 25,000,000
Milk	£ 9,000,000
Recyclable & Residual Waste	£ 25,000,000
Recycle/Refuse Containers	£ 8,000,000
Salt for Winter Maintenance	£ 15,375,000
Security Services & Equipment	£ 18,000,000
Washroom Solutions	£ 3,500,000
Community Meals	£ 3,500,000
Plumbing Materials	£ 20,621,122
Organic Waste	£ 2,000,000
Library Books & Textbooks	£ 14,000,000
Care Homes for Adults with LD	£ 31,000,000
Presentation & Audio Visual	£ 6,000,000
Building Related Engineering Consultancy	£ 10,000,000