

Scotland Excel

To: Executive Sub-Committee

On: 19 February 2021

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

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2020/2021 contract delivery plan, with visibility of contracting activity in the first half of 2021/2022.

2. Progress to Date

As detailed in Appendices 1 – 3, the contract delivery plan details framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

There are currently 74 frameworks in the Scotland Excel portfolio, and by 31 March 2021 will remain at approximately £2Billion. Overall, efficiencies delivered to date in 2020/2021 are 2.9%, which is slightly above the forecast range.

A summary of spend and forecast savings per council between October 2019 and September 2020 can be found in appendix 5, with an average forecast efficiency delivered in this period of c.2%.

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 and social care teams. This will be further developed in the coming months.

The Fostering and Continuing Care framework has been in operation since 25 March 2017 and has to date performed well against expectations. The current framework was due to expire in March 2021. In view of the severe impact on normal business practices resulting from the current COVID 19 outbreak, Scotland Excel extended the current framework in accordance with Regulation 72 of the Public Contracts Regulations (Scotland) 2015. The agreed 3-month extension allows time for market recovery and stakeholder engagement in advance of any tender. The tender is due to be released in February 2021 with the intention to move to contract award in July 2021.

The renewal of the Engineering & Technical Consultancy is being finalised with 31 suppliers awarded to the framework. This will provide councils and other participating bodies an effective mechanism to procure a wide range of civil engineering and associated technical consultancy services. In doing so, it will provide efficiency to councils when both engaging consultants and forming construction contracts. The suppliers awarded (11 of them being SME's) provide nationwide coverage and are well placed to support service continuity for potential difficulties that may arise from any on-going implications of COVID-19.

The framework for New Build Residential Housing has been extended for one year until 31 July 2022. It was anticipated that tendering activity over the early part of the framework would be relatively low as members required time to transfer their procurement over to the new framework. Unfortunately, due to the impact of COVID-19 over the last year, a number of projects start dates and tendering timelines have been delayed. However, activity is now increasing and to date five projects totaling £46 million have been awarded through the framework, with a further 11 currently undergoing a direct award process or mini competition.

In relation to the Social Care Case Management System development, the 29th January Scotland Excel Executive Sub-Committee approved award to five service providers. It is expected that this framework will go live in February.

An understanding of current ICT system and applications in use across councils is being collected through Scotland's Technical Asset Management Platform (STAMP). This will enable greater visibility of current contract requirements across councils, and in turn support the development of a collaborative contract plan for digital services. Procurement, transformation and IT leads will be invited to a series of meetings during February and March to demonstrate the functionality of STAMP and to offer advice, support and assistance on implementation and usage.

The project for Artificial Intelligence (AI)/ Robotics Process Automation is ongoing to review potential collaborative contracting areas of opportunity across the councils. Scotland Excel held an initial meeting in mid-January with the purpose of forming an appropriate User Intelligence Group (UIG) to take things forward for member councils. A survey has been sent to those in attendance asking current position, plans and budget commitment.

Regarding the development of Online School Payments framework, incorporating new elements of the catering management system, this is going through its final stages of strategy development with technical input from member councils. It is expected that this will be tendered by end March 2021 and 'go live' is planned for July 2021.

Scotland Excel was asked by SEEMiS to assist councils in procuring a solution to replace a module for supply teacher bookings. Subsequent to UIGs the scope of the procurement was changed to be that of a more generic booking solution that might encompass a number of booking requirements. A tender was issued on 25th January for the creation of a framework agreement with a 'go live' date planned for April 2021.

The project to develop a Dynamic Purchasing System (DPS) to support the delivery of digital telecare is underway. Key requirements include that the new contracts allow entry to new suppliers on a regular basis, and that products and services comply with standards agreed by the Digital Office and other stakeholders. It is anticipated that the DPS will be available for councils to call off from late April.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of contracts to be renewed in 2020/21 including those extended into 2021/22

| 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 and Provisions | 30,000,000 | Renew | May-20 | | Mar-20 | | 2% - 4% | 1.4% | Framework is live |
| Demolition | 18,000,000 | Renew | Aug-20 | | Jun-20 | | 2% - 4% | 0.0% | Framework is live |
| Catering Sundries | 4,000,000 | Renew | Aug-20 | | Jun-20 | | 2% - 4% | 4.9% | Framework is live |
| Online School Payments | 3,000,000 | Renew | Apr-20 | Apr-21 | | Jul-21 | 2% - 4% | | Initial reschedule to April 2020 due to low customer demand. Re-profiled from April - July 2021 due to extended market engagement post COVID-19 |
| Domestic Furniture and Furnishings | 20,000,000 | Renew | Nov-20 | Feb-21 | | | 2% - 4% | | Recommendations to be presented to Executive Sub Committee on 19 February 2021 |
| Vehicle Parts | 12,000,000 | Renew | Jan-21 | Apr-21 | | May-21 | 2% - 4% | | Framework currently in mobilisation phase |
| Bitumen Products | 12,000,000 | Renew | Mar-21 | | Dec-20 | | 2% - 4% | 6.0% | Recommendations presented to Executive Sub Committee on 11 December 2020 |
| Education and Office Furniture | 5,000,000 | Renew | Mar-21 | May-21 | | Aug-21 | 2% - 4% | | Plan delayed due to COVID-19 |
| Outdoor Play and Sports | 17,500,000 | Renew | Mar-21 | | | Dec-21 | 2% - 4% | | Strategy in development. Forecast date revised to reflect prioritisation of other work areas |
| Engineering and Technical Consultancy | 18,125,000 | Renew | Mar-21 | | Jan-21 | | 2% - 4% | 3.7% | Recommendations presented to Executive Sub Committee on 29 January 2021 |
| Fostering and Continuing Care | 34,000,000 | Renew | Mar-21 | | | Jul-21 | N/A | | Plan delayed due to COVID-19 |
| Organic Waste | 12,000,000 | Renew | Apr-21 | | | Jul-21 | 2% - 4% | | Plan delayed due to COVID-19 |
| Energy Efficiency Contractors | 200,000,000 | Renew | May-21 | | | Nov-21 | 2% - 4% | | Strategy in development. Commencement date revised due to COVID 19 |

Appendix 2 – List of new contracts to be developed and delivered in 2020/2021

| 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 |
|---------------------------------------|---|--------------|------------------------|------------------------|----------------|-----------------------------------|------------------------|----------------------------|---|
| Electric Vehicle Charging Points | 10,000,000 | New Contract | Aug-20 | May-21 | | Oct-21 | 5.5% | | Plan delayed due to COVID-19 |
| Social Care Case Management Solutions | 7,000,000 | New Contract | Aug-20 | Nov-20 | Jan-21 | Jan-21 | 5.5% | 0.0% | Recommendations presented to Executive Sub Committee on 29 January 2021 |
| Swimming Pool Contractors (OSS) | 2,000,000 | New Contract | Oct-19 | Mar-21 | | Mar-22 | 5.5% | | Project initially delayed due to COVID-19 discussions ongoing to confirm anticipated uptake and viability |
| Lift Maintenance (OSS) | 1,250,000 | New Contract | Mar-20 | Mar-21 | | Mar-22 | 5.5% | | Project initially delayed due to COVID-19 discussions ongoing to confirm anticipated uptake and viability |
| Construction and Building Consultancy | 10,000,000 | New Contract | May-21 | | | Jan-22 | 2% - 4% | | Initially merged with Engineering Consultancy but delayed due to separate service offering. Strategy Consultation commenced |
| Waste Composition Analysis | 750,000 | New Contract | Jun-21 | | | | 5.5% | | Tender released |
| Digital Telecare | 4,000,000 | New Contract | Apr-21 | | | | 5.5% | | DPS being published by March |
| Supply Teacher Booking System | 300,000 | New Contract | Apr-21 | | | | 5.5% | | Currently being Tendered |

Appendix 3 – Flexible Contracts in 2020/2021

| Service | Estimated Annual Collaborative Contract Opportunity | Activity | Anticipated Re-Opening Date | Comments |
|---|---|---------------------------------|-----------------------------|--|
| Care and Support | £140,000,000 | Flexible Framework Agreement | Oct-20 | Ongoing mobilisation and award process underway. |
| Care Homes For Adults With Learning Disabilities Including Autism | £26,500,000 | Flexible Framework Agreement | TBC | A survey issued to Councils/HSCPs on September 2020. The findings suggest that, there is low levels of interest to re-open the framework, as anticipated reopening date December 2020, revised date to be planned 2021 |
| Social Care Agency Workers | £20,000,000 | Flexible Framework Agreement | Apr-21 | Determined by the requirements of Purchasing Authorities |
| 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 |

Appendix 4 – Contracts with extension options and contract management activity ongoing in 2020/2021

Contracts with extension options in 2020/21

| Contract Description | Est Annual Value |
|-----------------------------------|------------------|
| Asbestos | £12,000,000 |
| Boiler Maintenance | £10,000,000 |
| Bottled Gas | £2,000,000 |
| Digital Publications and Services | £1,000,000 |
| Fire Safety Products (OSS) | £2,500,000 |
| First Aid Materials (OSS) | £2,000,000 |
| Grounds Maintenance Equipment | £6,000,000 |
| Laundry Equipment (OSS) | £1,100,000 |
| Library Books & Textbooks | £14,000,000 |
| Milk | £9,000,000 |
| New Build Residential | £375,000,000 |
| Pest Control (OSS) | £1,500,000 |
| Power Tools | £681,818 |
| Steeplejacks Services (OSS) | £1,750,000 |
| Swimming Pool Chemicals (OSS) | £1,250,000 |
| Technology Enabled Care | £6,300,000 |
| Trade Materials | £10,000,000 |
| Water Coolers (OSS) | £1,500,000 |

Contracts which are shaded have been approved for extension

Contracts with no renewal or extension activity and contract management activity ongoing in 2020/21

| Contract Description | Est Annual Value | Contract Description | Est Annual Value |
|---|-------------------------|--|-------------------------|
| Audio Visual | £7,500,000 | Janitorial Products | £12,000,000 |
| Alcoholic Beverages | £1,250,000 | Light and Heavy Plant | £10,000,000 |
| Building and Timber | £15,000,000 | Plumbing and Heating Materials | £22,500,000 |
| Buildings Related Engineering Consultancy | £10,000,000 | Road Maintenance Materials | £2,500,000 |
| Catering Sundries | £6,000,000 | Road Signage Materials | £1,250,000 |
| Cleaning Equipment (OSS) | £2,250,000 | Roadstone | £5,000,000 |
| Commercial Catering Equipment (OSS) | £4,000,000 | Salt for Winter Maintenance | £16,250,000 |
| Community Meals | £4,000,000 | Secure Care | £17,500,000 |
| Education Materials | £17,500,000 | Security Services and Cash Collection | £12,500,000 |
| Electrical Materials | £20,000,000 | Sheriff Officers (OSS) | £1,100,000 |
| Energy Advice (OSS) | £1,000,000 | Vehicle Purchase RM6060 | £15,000,000 |
| Fresh Bread, Rolls and Bakery Products | £1,500,000 | Vending Machines (OSS) | £1,250,000 |
| Fresh Fruit and Veg | £6,000,000 | Washroom Solutions and Sanitary Products | £3,500,000 |
| Fresh Meat, Cooked Meats and Fresh Fish | £10,000,000 | Waste Disposal Equipment | £1,250,000 |
| Groceries and Provisions | £30,000,000 | Street Lighting Materials | £35,000,000 |
| Hot Beverages (OSS) | £1,000,000 | | |

Appendix 5 – Expenditure summary per Council: Oct 2019 – Sep 2020

| Member Organisation | Actual Spend | Forecast Spend | Variance | % of Total Actual Spend | Estimated Saving | % Saving |
|-------------------------------|---------------------|---------------------|------------|-------------------------|--------------------|--------------|
| The City of Edinburgh Council | £45,882,255 | £34,441,865 | 133.20% | 7.93% | £679,266 | 1.48% |
| Fife Council | £44,226,411 | £108,958,597 | 40.60% | 7.64% | £676,260 | 1.53% |
| Glasgow City Council | £37,012,148 | £50,372,857 | 73.50% | 6.40% | £744,736 | 2.01% |
| South Lanarkshire Council | £30,985,405 | £65,101,402 | 47.60% | 5.36% | £417,554 | 1.35% |
| Associate Members | £29,899,572 | £52,786,421 | 56.60% | 5.17% | £338,548 | 1.13% |
| Aberdeenshire Council | £29,845,624 | £38,747,166 | 77.00% | 5.16% | £557,917 | 1.87% |
| Aberdeen City Council | £25,867,981 | £35,256,465 | 73.40% | 4.47% | £431,099 | 1.67% |
| West Lothian Council | £25,056,530 | £28,262,377 | 88.70% | 4.33% | £343,049 | 1.37% |
| North Lanarkshire Council | £23,412,795 | £52,440,089 | 44.60% | 4.05% | £479,943 | 2.05% |
| Falkirk Council | £23,396,639 | £43,468,329 | 53.80% | 4.04% | £921,068 | 3.94% |
| The Highland Council | £19,671,917 | £25,726,610 | 76.50% | 3.40% | £190,296 | 0.97% |
| Dundee City Council | £18,733,146 | £15,232,378 | 123.00% | 3.24% | £279,026 | 1.49% |
| West Dunbartonshire Council | £17,838,532 | £25,646,016 | 69.60% | 3.08% | £393,909 | 2.21% |
| Renfrewshire Council | £17,640,433 | £37,174,593 | 47.50% | 3.05% | £473,454 | 2.68% |
| North Ayrshire Council | £16,036,925 | £48,517,114 | 33.10% | 2.77% | £231,541 | 1.44% |
| East Lothian Council | £14,409,677 | £13,644,957 | 105.60% | 2.49% | £293,295 | 2.04% |
| South Ayrshire Council | £13,782,110 | £18,513,263 | 74.40% | 2.38% | £228,107 | 1.66% |
| East Ayrshire Council | £13,328,742 | £15,262,443 | 87.30% | 2.30% | £271,532 | 2.04% |
| Perth and Kinross Council | £12,646,788 | £9,680,424 | 130.60% | 2.19% | £365,381 | 2.89% |
| Dumfries and Galloway Council | £12,422,745 | £11,730,698 | 105.90% | 2.15% | £269,704 | 2.17% |
| The Moray Council | £11,181,702 | £23,501,488 | 47.60% | 1.93% | £149,037 | 1.33% |
| Scottish Borders Council | £10,966,565 | £12,808,022 | 85.60% | 1.90% | £236,883 | 2.16% |
| East Dunbartonshire Council | £9,946,429 | £9,829,649 | 101.20% | 1.72% | £222,271 | 2.23% |
| Angus Council | £9,103,125 | £16,414,266 | 55.50% | 1.57% | £184,130 | 2.02% |
| Stirling Council | £8,885,156 | £11,368,017 | 78.20% | 1.54% | £120,658 | 1.36% |
| Argyll and Bute Council | £8,770,087 | £10,049,010 | 87.30% | 1.52% | £250,890 | 2.86% |
| Tayside Contracts | £8,438,401 | £13,576,273 | 62.20% | 1.46% | £364,325 | 4.32% |
| East Renfrewshire Council | £8,364,225 | £11,510,546 | 72.70% | 1.45% | £413,705 | 4.95% |
| Clackmannanshire Council | £8,254,393 | £12,832,390 | 64.30% | 1.43% | £167,957 | 2.03% |
| Inverclyde Council | £7,876,844 | £9,267,675 | 85.00% | 1.36% | £210,655 | 2.67% |
| Midlothian Council | £7,709,845 | £11,883,712 | 64.90% | 1.33% | £148,700 | 1.93% |
| Shetland Islands Council | £2,751,616 | £3,063,347 | 89.80% | 0.48% | £36,081 | 1.31% |
| Orkney Islands Council | £2,308,705 | £2,524,800 | 91.40% | 0.40% | £28,159 | 1.22% |
| Comhairle nan Eilean Siar | £1,920,407 | £5,162,642 | 37.20% | 0.33% | £127,412 | 6.63% |
| Total | £578,573,875 | £884,755,901 | N/A | 100% | £11,246,548 | 1.94% |