

## Notice of Meeting and Agenda Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 10 February 2017	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

KENNETH GRAHAM  
Clerk

### Membership

Councillor Cryle Shand (Aberdeenshire Council); Councillor Paul Valentine (Angus Council); Councillor Iain Whyte (City of Edinburgh Council); Councillor Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Gill Dykes (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Martin McElroy (Glasgow City Council); Councillor Bill Fernie (Highland Council); Councillor Grace McLean (North Ayrshire Council); Councillor Michael Holmes (Renfrewshire Council); Councillor Amanda Westlake (Shetland Islands Council) and Provost Eileen Logan (South Lanarkshire Council).

Councillor Michael Holmes – Convener.

### Video Conferencing

Should any member wish to participate using video conference, please contact Lesley Jones on 0141 618 7444.

### Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at [www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx](http://www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx)

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

## **Members of the Press and Public**

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## 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.

- |             |  |                |
|-------------|--|----------------|
| <b>1</b>    | <b>Revenue Budget Monitoring Report</b>                                | <b>5 - 8</b>   |
|             | Joint report by the Treasurer and the Director of Scotland Excel.      |                |
| <b>2</b>    | <b>Annual Audit Plan 2016/17</b>                                       | <b>9 - 24</b>  |
|             | Report by the Treasurer.   |                |
| <b>3</b>    | <b>Contract for Approval: Bitumen and Associated Products</b>          | <b>25 - 38</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>4</b>    | <b>Contract for Approval: Engineering &amp; Technical Consultancy</b>  | <b>39 - 50</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>5</b>    | <b>Contract for Approval: Fostering &amp; Continuing Care Services</b> | <b>51 - 64</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>6</b>    | <b>Contract for Approval: Secure Care</b>                              | <b>65 - 76</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>7</b>    | <b>Requests for Associate Membership of Scotland Excel</b>             |                |
| <b>7(a)</b> | <b>Glasgow Prestwick Airport</b>                                       | <b>77 - 78</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>7(b)</b> | <b>Tayside and Central Scotland Transport Partnership</b>              | <b>79 - 80</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>8</b>    | <b>Update on the Contract Delivery Plan</b>                            | <b>81 - 86</b> |
|             | Report by the Director of Scotland Excel.                              |                |
| <b>9</b>    | <b>Operating Plan Update</b>   | <b>87 - 98</b> |
|             | Report by the Director of Scotland Excel.                              |                |

<b>10</b>	<b>Meetings of Scotland Excel Executive Sub-committee in March 2017</b>	<b>99 - 100</b>
	Report by the Clerk.	

## Scotland Excel

**To: Executive Sub Committee**

**On: 10 February 2017**

### Report by

**Joint Report by the Treasurer and the Director**

### Revenue Budget Monitoring Report to 6 January 2017

#### 1. Summary

- 1.1 Gross expenditure is £12,000 over budget and income is currently £72,000 over recovered which results in a net underspend of £60,000 for Scotland Excel. This is summarised in point 4:

#### 2 Recommendations

- 2.1 It is recommended that members consider the report.

#### 3 Budget Adjustments Since Last Report

- 3.1 There have been no budget adjustments since the last report.

#### 4 Budget Performance

- |     |   |  |
|-----|---|--|
| 4.1 | <b>Current Position</b><br><i>Previously Reported</i> | <b>Net Underspend £60,000</b><br><i>Net Underspend £46,000</i> |
|-----|---|--|

The variance is due to an underspend in Administration Costs and Supplies and Services and over recovery of Other Income, offset by an overspend in Employee Costs and Payment to Other Bodies.

The overspend in Employee Costs is due to a low turnover of staff, resulting in budget assumptions not being achieved.

The underspend within Supplies and Services relates to the IT budget. The Scotland Excel planned IT migration plan has, following discussion with Renfrewshire IT staff, been revised. As a result of changes planned by Renfrewshire to their infrastructure it would have been inappropriate to proceed on the basis that had been planned when, working in conjunction with Renfrewshire Council, there is the opportunity to be part of their migration to a cloud environment. The result of this will be an underspend in the IT budget in the current financial year of approximately £66,000. There will however be a requirement to draw down some of this sum from reserves in 2017 / 18 for non-budgeted costs due to the changes in the IT infrastructure.

Training courses delivered by Scotland Excel have resulted in the overspend within Payments to Other Bodies. These are fully recharged back to delegates and offset by additional income.

The over recovery of Other Income relates to the Training Costs discussed above, unbudgeted Consultancy Income and additional full year Associate Member Fees from the Wheatley Group.

#### **4.2 Projected Year End Position**

The projected year end position shows a draw down from the general reserve of £119,137 which is £80,373 less than the approved draw down. The draw down from the National Care Home ring fenced reserve is £9,972.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2016/17**  
**1st April 2016 to 6th January 2017**

JOINT COMMITTEE : SCOTLAND EXCEL

Description (1)	£000's	Agreed Annual Budget (2)	Year to Date Budget (3)	Year to Date Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance		
		£000's	£000's	£000's	£000's	£000's	£000's	(7)	%
Employee Costs		2,927	2,147	2,164	0	2,164	(17)	-0.8%	overspend
Property Costs		178	132	132	0	132	0	0.0%	breakeven
Supplies & Services		211	79	57	0	57	22	27.8%	underspend
Contractors and Others		63	92	92	0	92	0	0.0%	breakeven
Administration Costs		316	90	114	(43)	71	19	21.1%	underspend
Payments to Other Bodies		19	2	38	0	38	(36)	-1800.0%	overspend
<b>GROSS EXPENDITURE</b>		<b>3,714</b>	<b>2,542</b>	<b>2,597</b>	<b>(43)</b>	<b>2,554</b>	<b>(12)</b>	<b>-0.5%</b>	<b>overspend</b>
Contributions from Local Authorities		(3,484)	(3,484)	(3,484)	0	(3,484)	0	0.0%	breakeven
Other Income		(30)	(162)	(313)	79	(234)	72	44.4%	Over-recovery
<b>INCOME</b>		<b>(3,514)</b>	<b>(3,646)</b>	<b>(3,797)</b>	<b>79</b>	<b>(3,718)</b>	<b>72</b>	<b>2.0%</b>	<b>over-recovery</b>
<b>TRANSFER (TO)/FROM RESERVES</b>		<b>200</b>	<b>(1,104)</b>	<b>(1,200)</b>	<b>36</b>	<b>(1,164)</b>	<b>60</b>	<b>5.4%</b>	<b>underspend</b>

<b>CORE OPERATIONS EXPENDITURE</b>	<b>Agreed Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Actual</b>	<b>Adjustments</b>	<b>Revised Actual</b>
	3,714	2,416	2,471	-43	2,428
<b>NATIONAL CARE HOME EXPENDITURE</b>	0	125	127	0	127
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,714</b>	<b>2,541</b>	<b>2,598</b>	<b>-43</b>	<b>2,555</b>

	<b>General Reserve</b>	<b>National Care Home Reserve</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Opening Reserves	(465)	(18)	(483)
Budgeted Draw on Reserves	200		200
Projected Year End Overspend / (Underspend)	(80)	10	(70)
Anticipated Closing Reserves	(345)	(8)	(353)





**Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2017**

**Report  
By  
The Treasurer**

**Annual Audit Plan 2016-17****1. Summary**

- 1.1 The Annual Audit Plan 2016-17 for the Joint Committee is submitted for Members' information. The Plan outlines Audit Scotland's planned activities in their audit of the 2016-17 financial year.
- 1.2 The Senior Audit Manager from Audit Scotland, Mark Ferris, will attend and present the Annual Audit Plan 2016-17.

**2 Recommendations**

- 2.1 The Executive Sub-committee is asked to note the Annual Audit Plan 2016-17 by Audit Scotland.



# Scotland Excel

Annual Audit Plan 2016/17

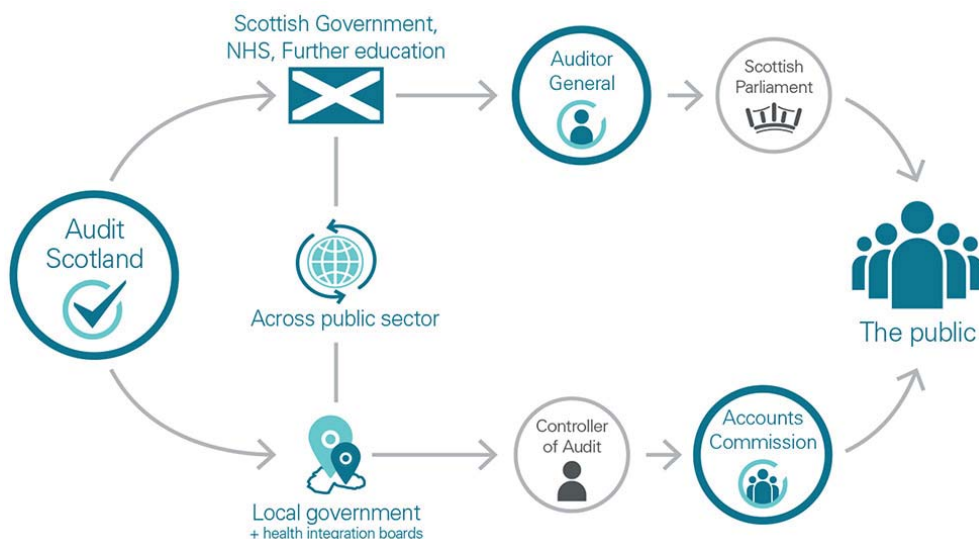


Prepared for Scotland Excel  
February 2017

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan identifies our audit work to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit including the new approach to Best Value. The wider scope of public audit contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Audit risks

2. Based on our discussions with staff and a review of supporting information we have identified the following main risk areas for Scotland Excel. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1

Audit Risk	Management assurance	Planned audit work
<b>Financial statement issues and risks</b>		
<b>1 Risk of management override of controls</b> ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.	Owing to the nature of this risk, assurances from management are not applicable	Detailed testing of journal entries. Review of significant management estimates and evaluation of the impact of any variability in key assumptions. Focused testing of accruals and prepayments. Evaluation of significant transactions outside the normal course of business. Substantive testing of transactions after the year end to confirm expenditure and income has been accounted for in the correct financial year.
<b>2 Risk of fraud over income/expenditure</b> ISA 240 presumes a risk of fraud over income, which is expanded to include fraud over expenditure in the public sector by the Code of Audit Practice. The majority of Scotland Excel's income is in the form of annual funding from member	Expenditure is closely monitored and discussed at budget monitoring meetings. Significant differences from actuals compared to projected expenditure are investigated.	Analytical procedures over areas of expenditure. Detailed testing of expenditure transactions focussing on areas of greatest risk.

Audit Risk	Management assurance	Planned audit work
<p>authorities. Due to the predictable nature of this, the risk of fraud over income has been rebutted.</p> <p>The presumed risk of fraud over expenditure remains relevant and therefore requires an audit response.</p>		
<p><b>3 Revised format of financial statements</b></p> <p>The 2016/17 Code of Practice on Local Authority Accounting (the Code) makes changes to the structure of the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS). This will require the restatement of prior year comparatives and presents a risk of misstatement in the financial statements.</p>	<p>Finance staff will ensure they are aware of the revised requirements through examination of the revised Code, attendance at CIPFA FAN events and reviewing of the Audit Scotland Technical Bulletin, and will prepare the financial statements accordingly.</p>	<p>Review of structure of CIES and MIRS.</p> <p>Detailed analysis of account code mapping for CIES.</p> <p>Review of prior year comparatives and restatements.</p>
<p><b>4 New expenditure and funding analysis</b></p> <p>The Code sets out a new requirement for an expenditure and funding analysis. This will provide a reconciliation of the statutory adjustments between Scotland Excel's financial performance on a funding basis and the surplus or deficit on the provision of services in the CIES. This presents an increased risk of misstatement as the analysis may not be in line with the requirements of the Code. There is also an increased risk of inconsistencies between the analysis and the financial statements.</p>	<p>Finance staff will ensure they are aware of the revised requirements through examination of the revised Code, attendance at CIPFA FAN events and reviewing of the Audit Scotland Technical Bulletin, and will prepare the financial statements accordingly.</p>	<p>Detailed testing of expenditure and funding analysis.</p> <p>Review of prior year comparatives and restatements.</p> <p>Review of consistency between expenditure and funding analysis and information contained elsewhere within the annual accounts.</p>
<p><b>5 Changes to governance disclosures</b></p> <p>The Code makes changes to the requirements of the governance statement. This will require additional information to be disclosed to ensure all requirements of the Code are met. This presents a risk that the governance disclosures may not be complete.</p>	<p>Finance staff will ensure they are aware of the revised requirements through examination of the revised Code, attendance at CIPFA FAN events and reviewing of the Audit Scotland Technical Bulletin, and will prepare the financial statements accordingly.</p> <p>Meeting held with Internal Audit to agree on work required to prepare annual governance statement.</p>	<p>Review of governance statement content.</p> <p>Testing of governance disclosures.</p>

Audit Risk	Management assurance	Planned audit work
<b>Wider dimension risks</b>		
<b>6 Financial sustainability</b> In prior financial years Scotland Excel has used reserves to fund improvement projects. Due to the low level of reserves this practice is no longer sustainable. This puts additional pressure on Scotland Excel to meet budget targets. There is a risk that the governance and funding structure may impact on the long term financial sustainability of Scotland Excel.	Scotland Excel, with support from the Treasurer, continually examine the current and forecast financial position of the organisation.	Review of budget monitoring reports during the year and comment on the financial position within the annual audit report.

## Reporting arrangements

**3.** Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**4.** Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer to confirm factual accuracy.

**5.** We will provide an independent auditor's report to Scotland Excel and Accounts Commission summarising the results of the audit of the annual accounts. We will provide the Accountable Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

## Exhibit 2

### 2016/17 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Report including ISA 260 requirements	1 September 2017	15 September 2017
Signed Independent Auditor's Report	15 September 2017	15 September 2017

## Audit fee

**6.** The proposed audit fee for the 2016/17 audit of Scotland Excel is £5,620. In determining the audit fee we have taken account of the risk exposure of Scotland Excel, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited financial statements, with a complete working papers package on, 26 June 2017.

**7.** Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.



## Responsibilities

### Joint Committee and Treasurer

**8.** Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

**9.** The audit of the financial statements does not relieve management or the Joint Committee, as those charged with governance, of their responsibilities.

### Appointed auditor

**10.** Our responsibilities as independent auditor are established by the 1973 Act for local government, and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

**11.** Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Financial statements

**12.** The statutory financial statements audit will be the foundation and source for the majority of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Scotland Excel and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how Scotland Excel will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

**13.** We will give an opinion on the financial statements as to:

- whether they give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the Scotland Excel as at 31 March 2017 and of the income and expenditure of the body for the year then ended
- whether they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003

## Materiality

**14.** Materiality defines the maximum error that we are prepared to accept and still conclude that that our audit objective has been achieved. It helps assist our planning of the audit and allows us to assess the impact of any audit adjustments on the financial statements. We calculate materiality at different levels as described below. The calculated materiality values for Scotland Excel are set out in [Exhibit 3](#).



## Exhibit 3

### Materiality values

Materiality level	Amount
<b>Planning materiality</b> - This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 16 based on the latest audited accounts for 2015/16.	£39,500
<b>Performance materiality</b> - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 75% of planning materiality.	£29,600
<b>Reporting threshold</b> - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount.	£ 1,000



**15.** We review and report on other information published with the financial statements including the management commentary, annual governance statement and the remuneration report. Any issue identified will be reported to the Joint Committee.

### Timetable

**16.** To support the efficient use of resources it is critical that a financial statements timetable is agreed with us for the production of the unaudited accounts. An agreed timetable is included at [Exhibit 4](#) which takes account of submission requirements and planned Committee dates:

## Exhibit 4

### Financial statements timetable

 Key stage	 Date
Consideration of unaudited financial statements by those charged with governance	TBC
Latest submission date of unaudited financial statements with complete working papers package	26 June 2017
Latest date for final clearance meeting with Director of Scotland Excel	25 August 2017
Agreement of audited unsigned financial statements; Issue of Annual Audit Report including ISA 260 report to those charged with governance	1 September 2017
Independent auditor's report signed	15 September 2017

### Internal audit

**17.** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an assessment of the internal audit function. Internal audit is provided by Renfrewshire Council.

### Adequacy of Internal Audit

**18.** A review of the internal audit function at Renfrewshire Council will be carried out by the Renfrewshire Council audit team in early 2017. This will provide assurance over whether the internal audit function operates in accordance with Public Sector Internal Audit Standards (PSIAS) and has sound documentation and reporting procedures in place.

### Audit dimensions

**19.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

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## Exhibit 5

### Audit dimensions




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**20.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will contribute to an overall assessment and assurance on best value.

### Financial sustainability

**21.** As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the Scotland Excel's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps

### Financial management

**22.** Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether Scotland Excel has arrangements in place to ensure systems of internal control are operating effectively

- whether Scotland Excel can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how Scotland Excel has assured itself that its financial capacity and skills are appropriate
- whether Scotland Excel has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

### Governance and transparency

**23.** Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether Scotland Excel can demonstrate that governance, decision-making and scrutiny arrangements are effective
- whether Board members and staff demonstrate high standards of behaviour and receive sufficient training and development
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

### Value for money

**24.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether Scotland Excel can provide evidence that it is demonstrating value for money in the use of its resources and achievement of outcomes.

### Strategic plan for the five year appointment

**25.** As part of our responsibility to report on the audit dimensions over the current audit appointment we have identified the following areas of proposed audit work (this will be subject to annual review):

## Exhibit 6

### Strategic plan

Dimension	2016/17	2017/18	2018/19 to 2020/21
Financial sustainability	Financial planning		
Financial management		Financial governance and resource management	
Governance and transparency	Governance		
Value for money			Operational efficiency

## Independence and objectivity

**26.** Auditors appointed by Audit Scotland must comply with the Code of Audit Practice. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Assistant Auditor General, who serves as Audit Scotland’s Ethics Partner.

**27.** The engagement lead for Scotland Excel is Mark Ferris, Senior Audit Manager. Auditing and ethical standards require the appointed auditor, to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Scotland Excel.

## Quality control

**28.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

**29.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews, internal quality reviews and is currently reviewing the arrangements for external quality reviews.

**30.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# Scotland Excel

## Annual Audit Plan 2016/17

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

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[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)





**Scotland Excel****To: Executive Sub Committee****On: 10 February 2016****Report  
by  
Director Scotland Excel****Tender: Bitumen and Associated Products****Schedule: 05/16****Period: 1st March 2017 until 28th February 2019 with an option to extend for a further two 12 month periods****1. Introduction and Background**

The current framework for Bitumen and Associated Products will expire on 28<sup>th</sup> February 2017. This proposed renewal framework will operate from 1<sup>st</sup> March 2017 until 28<sup>th</sup> February 2019 with an option to extend for a further two 12 month periods.

This renewal will be a third generation framework agreement for this commodity and the framework will provide councils and other participating bodies with a mechanism to procure a wide range of bitumen related products ranging from bulk bitumen through to reinstatement products, surface dressings, cementitious products and sundries.

**2. Scope, Participation and Spend**

Through consultation with the Roads UIG, Bitumen Technical Group and key suppliers a number of items have been identified to populate the lot structure of this framework. This consultation has resulted in the building of a robust lot structure that covers all bitumen and associated requirements for the participating stakeholders as summarised in Table 1.

**Table 1: Lotting Structure**

Lot Number	Description	Estimated % of Spend
Lot 1	Bulk Products	80%
Lot 2	Reinstatement Products	15%
Lot 3	Surface Dressing Products	3%
Lot 4	Cementitious Products	1%
Lot 5	Sundry Bitumen Related Products	1%

As detailed in Appendix 1, 24 councils plus Tayside Contracts have confirmed their intention to participate in this framework. It is confirmed that the following councils will not be participating in this new framework:

- South Ayrshire and East Ayrshire Councils: The Ayrshire Roads Alliance is responsible for South Ayrshire and East Ayrshire Councils' bitumen contract requirements. However, South Ayrshire Council have requested access to the framework for contingency although no spend is anticipated.
- North Lanarkshire Council: As noted above, road maintenance services for North Lanarkshire Council have now been outsourced to AMEY under a Private Public Partnership.
- East Dunbartonshire Council: Bitumen and associated products will be purchased directly by East Dunbartonshire Council's managed stores function.
- Falkirk Council: Road maintenance services for Falkirk Council are mainly carried out by third party maintenance providers who also provide bitumen requirements.
- Angus Council, Dundee Council and Perth and Kinross Council, who will have their bitumen procured by Tayside Contracts.

Accordingly, all 32 councils and Tayside Contracts were included in the Contract Notice for the framework.

The forecast annual spend for participating councils is £10m per annum, equating to an estimated £40m over the term of the framework. A key objective of the framework is to attract suppliers of bitumen and associated products whilst considering the high spend that is associated with this area, and to ensure flexibility and growth for all councils. To this end, a contingency was incorporated into this framework to allow increased expenditure and the framework was advertised at a £48m value for the full 4 year term.

### **3. Procurement Process**

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 15<sup>th</sup> June 2016. In addition, a working group of technical and procurement representatives was formed to review technical specifications and participate in the evaluation.

A Prior Information Notice (PIN) was published on 7<sup>th</sup> June 2016, which resulted in expressions of interest from fifteen organisations. As a result of this considerable and very positive interest, meetings were held with potential bidders including both incumbent and new suppliers. During these meetings, ability to service, trading processes, market trends, community benefits and sustainability were discussed as well as potential product lists and specifications.

Thereafter, in order to ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the renewal framework.

The Contract Notice was published via the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 28<sup>th</sup> October 2016 with the tender documentation being made available for immediate download from 31<sup>st</sup> October 2016, via the Public Contracts Scotland Tenders (PCS-T) system.

The procurement process followed a two stage tendering procedure. At the first stage, tender European Single Procurement Document (ESPD) responses were assessed against financial capability, technical/professional capability and business probity requirements. Bidders were required to pass this stage to be eligible for award. At the second stage of the process, the offers were evaluated against the following criteria and weightings.

Technical	15%
Commercial	85%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including; stock holding and supply chain, sustainability and community benefits. Bidders were also assessed in terms of their ability to provide product training, the facility to uplift packaged product from supplier premises and the provision of mobile storage units on site for bulk products.

Within the commercial section, bidders were invited to offer on a lot by lot basis per council area and were evaluated and scored on this basis. Fixed pricing for 12 months was required for all lots. Bidders were also invited to offer early

settlement discount for payments received prior to 21 days from date of receipt of invoice.

#### **4. Report on Offers Received**

The tender document was downloaded by eleven organisations, with five tender responses received. A summary of all offers received is provided in Appendix 2.

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 criteria and weightings set out above, it is recommended that a multi supplier framework agreement is awarded to all five compliant suppliers across the five lots as outlined in Appendix 3.

These five recommended suppliers offer best value for all geographical areas and a range of choice and capacity for council members.

#### **6. Benefits**

##### **Savings**

Scotland Excel has conducted a benchmarking exercise comparing current prices paid with the prices submitted against the new framework. It was agreed with the UIG that benchmarking would only be carried out on lot 1 (Bulk Products) as this covered the majority of spend from the framework. The benchmarking exercise took the current pricing for the top six products from Lot 1 which makes up 80% of the total contract spend and compared them to the MEAT (Most Economically Advantageous Tender) prices received for the renewal framework. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 4.7%, which equates to an estimated total saving of approximately £508k per annum. The variance in savings reported is caused by the different mix of products purchased per council.

Benchmarking carried out on lots two to five indicates that savings of up to 10% may be achieved on the current pricing against the new framework.

### **Price Stability**

All suppliers have agreed to the 12 month fixed price period at the start of the framework. Provision thereafter is for price reviews every three months to accommodate market fluctuations. 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, the sustainability method statement assessed suppliers in relation to their corporate approach to sustainability and how they promote recycle, reuse and reduce initiatives to minimise the impact of their supply chain on the environment. A range of sustainable measures were outlined by suppliers including;

- Reduction of waste footprint by the introduction of recycled packaging
- Products developed to utilise more energy efficient methods of application at end use
- Recycling of waste asphalt for use in production of new product
- Use of route planning software and GPS route monitoring to ensure most efficient use of outbound logistics by suppliers
- Adoption of the latest model delivery vehicles with Euro 5/6 engines

### **Community Benefits**

Tenderers were also asked to detail and demonstrate their commitment to providing community benefits initiatives within council areas with specific reference to this framework. These commitments will be further discussed during framework mobilisation activities and reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a six monthly basis. A range of community benefits were offered by bidders including:

- Recruitment of apprentices
- Recruitment of new members of staff
- Employability workshops
- Sponsorship of local sports teams or community events
- Work experience placements
- Donation of product vouchers to support apprentices
- Weekly and monthly work experience placements to pupils or Council apprentices
- Donation of materials and/or labour to support community projects

**Fair Work Practices including the Living Wage**

Tenderers were asked a question on their approach to fair work practices and payment of the Living Wage to their workforce. Of the 5 recommended bidders:

- 4 are not an accredited Living Wage Employer but pay the Living Wage to all employees (except volunteers, apprentices and interns)
- 1 is not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees.

Scotland Excel includes monitoring Fair Work Practices and Living Wage within its contract and supplier management programme and will work with all awarded suppliers who have not yet secured accreditation by the Living Wage Foundation to encourage them to achieve this in the near future.

**7. Contract Mobilisation and Management**

Each supplier will be invited to a mobilisation meeting to outline the operation of the framework, roles and responsibilities, management information requirements and community benefits commitments. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to launch the framework.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring annual supplier and user group reviews as appropriate.

**8. Summary**

This framework will provide councils and other participating bodies with a mechanism to procure a wide range of bitumen related products ranging from bulk bitumen through to reinstatement products, surface dressings, cementitious products and sundries. A range of benefits can be reported in relation to savings, price stability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3.

## Appendix 1 – Participation, Spend and Savings Summary - Bitumen and Associated Products 05-16

Member Name	Participate In Framework	Participation Entry Date	Est. Annual Spend	Source of Spend	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City	Yes	Contract Start	£70,000	Council Confirmed	7.8%	£5,460	Benchmarked Current Contract
Aberdeenshire	Yes	Contract Start	£2,756,000	Council Confirmed	7.8%	£214,970	Benchmarked Current Contract
Angus	No						
Argyll & Bute	Yes	Contract Start	£80,000	Contract MI	3.7%	£2,960	Benchmarked Current Contract
Clackmannanshire	No						
Comhairle nan Eilean Siar	Yes	Contract Start	£200,000	Council Confirmed	3.7%	£7,400	Benchmarked Current Contract
Dumfries & Galloway	Yes	Contract Start	£150,000	Contract MI	3.7%	£5,550	Benchmarked Current Contract
Dundee City	No						
East Ayrshire	No						
East Dunbartonshire	No						
East Lothian	Yes	Contract Start	£120,000	Council Confirmed	3.7%	£4,440	Benchmarked Current Contract
East Renfrewshire	Yes	Contract Start	£15,000	Council Confirmed	3.7%	£5,555	Benchmarked Current Contract
Edinburgh City	Yes	Contract Start	£50,000	Council Confirmed	3.7%	£1,850	Benchmarked Current Contract
Falkirk	No						
Fife	Yes	Contract Start	£111,000	Contract MI	3.7%	£4,100	Benchmarked Current Contract
Glasgow	Yes*	Contract Start	£68,000	Council Confirmed	3.7%	£2,500	Benchmarked Current Contract
Highland	Yes	Contract Start	£1,000,000	Council Confirmed	5.1%	£51,000	Benchmarked Current Contract
Inverclyde	Yes	Contract Start	£20,000	Contract MI	3.7%	£740	Benchmarked Current Contract
Midlothian	Yes	Contract Start	£26,000	Council Confirmed	3.7%	£960	Benchmarked Current Contract
Moray	Yes	Contract Start	£500,000	Council Confirmed	3.7%	£18,500	Benchmarked Current Contract
North Ayrshire	Yes	Contract Start	£125,000	Council Confirmed	3.7%	£4,625	Benchmarked Current Contract
North Lanarkshire	No						
Orkney Islands	Yes	Contract Start	£460,000	Contract MI	5.1%	£23,460	Benchmarked Current Contract
Perth & Kinross	No						
Renfrewshire	Yes	Contract Start	£55,000	Council Confirmed	3.7%	£2,035	Benchmarked Current Contract
Scottish Borders	Yes	Contract Start	£615,000	Council Confirmed	3.7%	£22,755	Benchmarked Current Contract
Shetland Islands	Yes	Contract Start	£13,000	Council Confirmed	3.7%	£480	Benchmarked Current Contract
South Ayrshire	No						
South Lanarkshire	Yes	Contract Start	£60,000	Council Confirmed	3.7%	£2,220	Benchmarked Current Contract
Stirling	Yes	Contract Start	£50,000	Council Confirmed	3.7%	£1,850	Benchmarked Current Contract
Tayside Contracts	Yes	Contract Start	£2,500,000	Council Confirmed	4.9%	£122,500	Benchmarked Current Contract
West Dunbartonshire	Yes	Contract Start	£25,000	Council Confirmed	3.7%	£925	Benchmarked Current Contract
West Lothian	Yes	Contract Start	£47,000	Council Confirmed	3.7%	£1,740	Benchmarked Current Contract
<b>TOTALS</b>			<b>£9,116,000</b>			<b>£508,575</b>	

\* Not verified.

## Appendix 2 - SME Status

Tenderer's Name	SME Status	Location	Lots Tendered
Colas Limited "Colas"	Large	Crawley	1,2,3,4,5
Nynas UK AB "Nynas"	Large	Stockholm	1
Viatec UK Ltd "Viatec"	Small	Bristol	2,4
James A Jobling and Company Ltd/ t/a Jobling Purser "Jobling Purser"	Medium	Newcastle Upon Tyne	2,3,5
Instarmac Group PLC "Instarmac"	Medium	Tamworth	2



### Appendix 3 - Scoring and Recommendations Lot 1

Bitumen 05-16 Lot 1 Bulk Products			
	Colas	Nynas	
Council Member	Total Score	Total Score	Recommendation for Award
Aberdeen City	92.50	No Bid	Colas
Aberdeenshire Council			
Area A - North East Aberdeenshire	80.80	90.00	Both Suppliers
Area B - Formartine Area	80.80	90.00	Both Suppliers
Area C - Central Aberdeenshire	80.80	90.00	Both Suppliers
Area D - Deeside Area	80.80	90.00	Both Suppliers
Area E - Kincardine and Mearns Area	80.80	90.00	Both Suppliers
Angus	92.50	No Bid	Colas
Argyll and Bute			
Area A - Cowal	92.50	No Bid	Colas
Area B - Oban, Lorne	92.50	No Bid	Colas
Area C - Mid Argyll & Kintyre peninsula	92.50	No Bid	Colas
Area D - Helensburgh and Lomond	92.50	No Bid	Colas
Area E - Tiree and Coll	No Bid	No Bid	No Bid
Area F - Islay and Jura	No Bid	No Bid	No Bid
Area G - Mull	No Bid	No Bid	No Bid
Area H - Colonsay	No Bid	No Bid	No Bid
Area I - Bute	No Bid	No Bid	No Bid
Clackmannanshire	92.50	No Bid	Colas
Comhairle nan Eilean Siar (Western Isles)			
Area A - Lewis	No Bid	90.00	Nynas
Area B - Harris	No Bid	90.00	Nynas
Area C - Uist	No Bid	90.00	Nynas
Area D - Barra	No Bid	90.00	Nynas
Dumfries and Galloway	92.50	No Bid	Colas
Dundee City	92.50	No Bid	Colas
East Ayrshire	88.38	90.00	Both Suppliers
East Dunbartonshire	92.50	No Bid	Colas
East Lothian	92.50	No Bid	Colas
East Renfrewshire	92.50	No Bid	Colas
Edinburgh City	92.50	No Bid	Colas
Falkirk	92.50	No Bid	Colas
Fife	92.50	No Bid	Colas
Glasgow City	92.50	No Bid	Colas
Highland			
Area A - Inverness, Aird and Loch Ness	83.37	90.00	Both Suppliers
Area B - Nairn, Badenoch and Strathspey	83.37	90.00	Both Suppliers
Area C - Caithness and Sutherland	87.33	90.00	Both Suppliers
Area D - Wester Ross, Dingwall and Black Isle	85.17	90.00	Both Suppliers
Area E - Cromarty Firth, Tain and Easter Ross	85.17	90.00	Both Suppliers
Area F - Skye including Eilean a' Cheo and Loachalsh	87.33	90.00	Both Suppliers
Area G - Locaber including Caol, Mallaig, Fort William and Ardnamurchan	86.61	90.00	Both Suppliers
Inverclyde	92.50	No Bid	Colas
Midlothian	92.50	No Bid	Colas
Moray	83.73	90.00	Both Suppliers
North Ayrshire	88.58	90.00	Both Suppliers
North Lanarkshire	92.50	No Bid	Colas
Orkney Islands	76.15	90.00	Both Suppliers
Perth & Kinross	92.50	No Bid	Colas
Renfrewshire	92.50	No Bid	Colas
Scottish Borders	88.58	90.00	Both Suppliers
Shetland Islands	No Bid	No Bid	No Bid
South Ayrshire	88.58	90.00	Both Suppliers
South Lanarkshire	92.50	No Bid	Colas
Stirling	92.50	No Bid	Colas
Tayside Contracts	81.57	90.00	Both Suppliers
West Dunbartonshire	92.50	No Bid	Colas
West Lothian	92.50	No Bid	Colas

## Appendix 3 - Scoring and Recommendations Lot 2

Bitumen 05-16 Lot 2 Reinstatement Products					
	Colas	Instarmac	Jobling Puser	Vistec	
Council Member	Total Score	Total Score	Total Score	Total Score	Recommendation for Award
Aberdeen City	88.99	90.34	90.19	81.43	All Suppliers
Aberdeenshire Council					
Area A - North East Aberdeenshire	88.99	90.34	90.19	80.43	All Suppliers
Area B - Formartine Area	88.99	90.34	90.19	80.43	All Suppliers
Area C - Central Aberdeenshire	88.99	90.34	90.19	80.43	All Suppliers
Area D - Deeside Area	88.99	90.34	90.19	80.43	All Suppliers
Area E - Kincardine and Meams Area	88.99	90.34	90.19	80.43	All Suppliers
Angus	91.04	90.33	90.19	90.31	All Suppliers
Argyll and Bute					
Area A - Cowal	88.13	88.62	91.73	No Bid	Colas, Instarmac, Jobling Puser
Area B - Oban, Lorne	88.13	88.62	91.73	79.72	All Suppliers
Area C - Mid Argyll & Kintyre peninsula	88.13	88.62	91.73	79.72	All Suppliers
Area D - Helensburgh and Lomond	88.13	88.62	91.73	88.39	All Suppliers
Area E - Tiree and Coll	No Bid	90.33	81.51	90.31	Instarmac, Jobling Puser, Vistec
Area F - Islay and Jura	No Bid	90.34	81.51	81.43	Instarmac, Jobling Puser, Vistec
Area G - Mull	No Bid	90.33	81.51	90.31	Instarmac, Jobling Puser, Vistec
Area H - Colonsay	No Bid	90.33	81.51	90.31	Instarmac, Jobling Puser, Vistec
Area I - Bute	No Bid	90.34	81.51	81.43	Instarmac, Jobling Puser, Vistec
Clackmannanshire	90.14	88.62	91.73	88.39	All Suppliers
Comhairle nan Eilean Siar (Western Isles)					
Area A - Lewis	81.33	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area B - Harris	81.33	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area C - Uist	81.33	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area D - Barra	81.33	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Dumfries and Galloway	90.14	88.62	91.73	88.39	All Suppliers
Dundee City	88.16	88.62	91.73	88.39	All Suppliers
East Ayrshire	90.14	88.62	91.73	88.39	All Suppliers
East Dunbartonshire	91.23	88.62	91.73	88.39	All Suppliers
East Lothian	90.14	88.62	91.73	88.39	All Suppliers
East Renfrewshire	91.23	88.62	91.73	88.39	All Suppliers
Edinburgh City	90.14	88.62	91.73	88.39	All Suppliers
Falkirk	90.14	88.62	91.73	88.39	All Suppliers
Fife	90.14	88.62	91.73	88.39	All Suppliers
Glasgow City	91.23	88.62	91.73	88.39	All Suppliers
Highland					
Area A - Inverness, Aird and Loch Ness	88.99	90.34	81.51	83.04	All Suppliers
Area B - Nairn, Badenoch and Strathspey	88.99	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area C - Caithness and Sutherland	88.99	90.34	81.51	83.04	All Suppliers
Area D - Wester Ross, Dingwall and Black Isle	88.99	90.34	81.51	83.04	All Suppliers
Area E - Cromarty Firth, Tain and Easter Ross	88.99	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area F - Skye including Eilean a' Cheo and Lochalsh	88.99	90.34	81.51	No Bid	Colas, Instarmac, Jobling Puser
Area G - Lochaber including Caol, Mallaig, Fort William and Ardnamurchan	88.99	90.34	81.51	83.04	All Suppliers
Inverclyde	92.30	88.62	80.94	89.65	All Suppliers
Midlothian	92.05	88.62	91.73	88.39	All Suppliers
Moray	88.99	90.33	81.51	90.31	All Suppliers
North Ayrshire	90.14	88.62	91.73	88.39	All Suppliers
North Lanarkshire	91.23	88.62	91.73	88.39	All Suppliers
Orkney Islands	79.28	90.34	81.51	79.88	All Suppliers
Perth & Kinross	91.04	90.33	90.19	90.31	All Suppliers
Renfrewshire	91.23	88.62	91.73	88.39	All Suppliers
Scottish Borders	92.05	90.33	90.19	90.31	All Suppliers
Shetland Islands	No Bid	90.34	81.51	No Bid	Instarmac, Jobling Puser
South Ayrshire	90.14	88.62	91.73	88.39	All Suppliers
South Lanarkshire	91.23	88.62	91.73	88.39	All Suppliers
Stirling	90.14	88.62	91.73	88.39	All Suppliers
Tayside Contracts	88.16	88.62	91.73	88.39	All Suppliers
West Dunbartonshire	91.23	88.62	91.73	88.39	All Suppliers
West Lothian	90.14	88.62	91.73	88.39	All Suppliers

### Appendix 3 - Scoring and Recommendations Lot 3

Bitumen 05-16 Lot 3 Surface Dressing Products			
	Colas	Jobling Purser	
Council Member	Total Score	Total Score	Recommendation for Award
Aberdeen City	92.50	86.60	Both Suppliers
Aberdeenshire Council			
Area A - North East Aberdeenshire	92.50	86.60	Both Suppliers
Area B - Formartine Area	92.50	86.60	Both Suppliers
Area C - Central Aberdeenshire	92.50	86.60	Both Suppliers
Area D - Deeside Area	92.50	86.60	Both Suppliers
Area E - Kincardine and Mearns Area	92.50	86.60	Both Suppliers
Angus	92.50	85.74	Both Suppliers
Argyll and Bute			
Area A - Cowal	92.50	89.97	Both Suppliers
Area B - Oban, Lome	92.50	89.97	Both Suppliers
Area C - Mid Argyll & Kintyre peninsula	92.50	89.97	Both Suppliers
Area D - Helensburgh and Lomond	92.50	89.97	Both Suppliers
Area E - Tiree and Coll	No Bid	91.75	Jobling Purser
Area F - Islay and Jura	No Bid	91.75	Jobling Purser
Area G - Mull	No Bid	91.75	Jobling Purser
Area H - Colonsay	No Bid	91.75	Jobling Purser
Area I - Bute	No Bid	91.75	Jobling Purser
Clackmannanshire	92.50	88.23	Both Suppliers
Comhairle nan Eilean Siar (Western Isles)			
Area A - Lewis	92.50	84.60	Both Suppliers
Area B - Harris	92.50	84.60	Both Suppliers
Area C - Uist	92.50	84.60	Both Suppliers
Area D - Barra	92.50	84.60	Both Suppliers
Dumfries and Galloway	92.50	88.23	Both Suppliers
Dundee City	92.50	89.06	Both Suppliers
East Ayrshire	92.50	88.23	Both Suppliers
East Dunbartonshire	92.50	87.33	Both Suppliers
East Lothian	92.50	88.23	Both Suppliers
East Renfrewshire	92.50	87.33	Both Suppliers
Edinburgh City	92.50	88.23	Both Suppliers
Falkirk	92.50	88.23	Both Suppliers
Fife	92.50	88.23	Both Suppliers
Glasgow City	92.50	87.33	Both Suppliers
Highland			
Area A - Inverness, Aird and Loch Ness	92.50	77.48	Both Suppliers
Area B - Nairn, Badenoch and Strathspey	92.50	77.48	Both Suppliers
Area C - Caithness and Sutherland	92.50	77.48	Both Suppliers
Area D - Wester Ross, Dingwall and Black Isle	92.50	77.48	Both Suppliers
Area E - Cromarty Firth, Tain and Easter Ross	92.50	77.48	Both Suppliers
Area F - Skye including Eilean a' Cheo and Lochalsh	92.50	77.48	Both Suppliers
Area G - Locaber including Caol, Mallaig, Fort William and Ardnamurchan	92.50	77.48	Both Suppliers
Inverclyde	92.50	75.26	Both Suppliers
Midlothian	92.50	88.23	Both Suppliers
Moray	92.50	77.48	Both Suppliers
North Ayrshire	92.50	88.23	Both Suppliers
North Lanarkshire	92.50	87.33	Both Suppliers
Orkney Islands	92.50	86.56	Both Suppliers
Perth & Kinross	92.50	85.74	Both Suppliers
Renfrewshire	92.50	87.33	Both Suppliers
Scottish Borders	92.50	84.94	Both Suppliers
Shetland Islands	No Bid	91.75	Jobling Purser
South Ayrshire	92.50	88.23	Both Suppliers
South Lanarkshire	92.50	87.33	Both Suppliers
Stirling	92.50	88.23	Both Suppliers
Tayside Contracts	92.50	89.06	Both Suppliers
West Dunbartonshire	92.50	87.33	Both Suppliers
West Lothian	92.50	88.23	Both Suppliers

### Appendix 3 - Scoring and Recommendations Lot 4

Bitumen 05-16 Lot 4 Cementitious Products			
	Colas	Viatec	
Council Member	Total Score	Total Score	Recommendation for Award
Aberdeen City	68.36	90.31	Both Suppliers
Aberdeenshire Council			
Area A - North East Aberdeenshire	68.36	90.31	Both Suppliers
Area B - Formartine Area	68.36	90.31	Both Suppliers
Area C - Central Aberdeenshire	68.36	90.31	Both Suppliers
Area D - Deeside Area	68.36	90.31	Both Suppliers
Area E - Kincardine and Mearns Area	68.36	90.31	Both Suppliers
Angus	62.40	90.31	Both Suppliers
Argyll and Bute			
Area A - Cowal	92.50	No Bid	Colas
Area B - Oban, Lorne	68.36	90.31	Both Suppliers
Area C - Mid Argyll & Kintyre peninsula	68.36	90.31	Both Suppliers
Area D - Helensburgh and Lomond	92.50	No Bid	Colas
Area E - Tiree and Coll	No Bid	No Bid	No Bid
Area F - Islay and Jura	No Bid	90.31	Viatec
Area G - Mull	No Bid	No Bid	No Bid
Area H - Colonsay	No Bid	No Bid	No Bid
Area I - Bute	No Bid	90.31	Viatec
Clackmannanshire	92.50	59.51	All Suppliers
Comhairle nan Eilean Siar (Western Isles)			
Area A - Lewis	92.50	No Bid	Colas
Area B - Harris	92.50	No Bid	Colas
Area C - Uist	92.50	No Bid	Colas
Area D - Barra	92.50	No Bid	Colas
Dumfries and Galloway	62.70	90.31	Both Suppliers
Dundee City	62.40	90.31	Both Suppliers
East Ayrshire	62.70	90.31	Both Suppliers
East Dunbartonshire	63.00	90.31	Both Suppliers
East Lothian	62.70	90.31	Both Suppliers
East Renfrewshire	63.00	90.31	Both Suppliers
Edinburgh City	62.70	90.31	Both Suppliers
Falkirk	62.70	90.31	Both Suppliers
Fife	62.70	90.31	Both Suppliers
Glasgow City	63.00	90.31	Both Suppliers
Highland			
Area A - Inverness, Aird and Loch Ness	67.12	90.31	Both Suppliers
Area B - Naim, Badenoch and Strathspey	92.50	No Bid	Colas
Area C - Caithness and Sutherland	67.12	90.31	Both Suppliers
Area D - Wester Ross, Dingwall and Black Isle	67.12	90.31	Both Suppliers
Area E - Cromarty Firth, Tain and Easter Ross	92.50	No Bid	Colas
Area F - Skye including Eilean a' Cheo and Lochalsh	92.50	No Bid	Colas
Area G - Locaber including Caol, Mallaig, Fort William and Ardnamurchan	67.12	90.31	Both Suppliers
Inverclyde	63.00	90.31	Both Suppliers
Midlothian	62.70	90.31	Both Suppliers
Moray	62.15	90.31	Both Suppliers
North Ayrshire	62.70	90.31	Both Suppliers
North Lanarkshire	63.00	90.31	Both Suppliers
Orkney Islands	65.78	90.31	Both Suppliers
Perth & Kinross	62.40	90.31	Both Suppliers
Renfrewshire	63.00	90.31	Both Suppliers
Scottish Borders	62.70	90.31	Both Suppliers
Shetland Islands	No Bid	No Bid	No Bid
South Ayrshire	62.70	90.31	Both Suppliers
South Lanarkshire	63.00	90.31	Both Suppliers
Stirling	62.70	90.31	Both Suppliers
Tayside Contracts	62.40	90.31	Both Suppliers
West Dunbartonshire	63.00	90.31	Both Suppliers
West Lothian	62.70	90.31	Both Suppliers

### Appendix 3 - Scoring and Recommendations Lot 5

Bitumen 05-16 Lot 5 Sundry Products			
	Colas	Jobling Purser	
Council Member	Total	Total	Recommendation for Award
Aberdeen City	63.13	91.75	Both Suppliers
Aberdeenshire Council			
Area A - North East Aberdeenshire	63.13	91.75	Both Suppliers
Area B - Formartine Area	63.13	91.75	Both Suppliers
Area C - Central Aberdeenshire	63.13	91.75	Both Suppliers
Area D - Deeside Area	63.13	91.75	Both Suppliers
Area E - Kincardine and Mearns Area	63.13	91.75	Both Suppliers
Angus	63.67	91.75	Both Suppliers
Argyll and Bute			
Area A - Cowal	54.69	91.75	Both Suppliers
Area B - Oban, Lorne	54.69	91.75	Both Suppliers
Area C - Mid Argyll & Kintyre peninsula	54.69	91.75	Both Suppliers
Area D - Helensburgh and Lomond	54.69	91.75	Both Suppliers
Area E - Tiree and Coll	No Bid	91.75	Jobling Purser
Area F - Islay and Jura	No Bid	91.75	Jobling Purser
Area G - Mull	No Bid	91.75	Jobling Purser
Area H - Colonsay	No Bid	91.75	Jobling Purser
Area I - Bute	No Bid	91.75	Jobling Purser
Clackmannanshire	55.64	91.75	Both Suppliers
Comhairle nan Eilean Siar (Western Isles)			
Area A - Lewis	63.09	91.75	Both Suppliers
Area B - Harris	63.09	91.75	Both Suppliers
Area C - Uist	63.09	91.75	Both Suppliers
Area D - Barra	63.09	91.75	Both Suppliers
Dumfries and Galloway	55.64	91.75	Both Suppliers
Dundee City	55.14	91.75	Both Suppliers
East Ayrshire	55.64	91.75	Both Suppliers
East Dunbartonshire	56.55	91.75	Both Suppliers
East Lothian	55.64	91.75	Both Suppliers
East Renfrewshire	56.55	91.75	Both Suppliers
Edinburgh City	55.64	91.75	Both Suppliers
Falkirk	55.64	91.75	Both Suppliers
Fife	55.64	91.75	Both Suppliers
Glasgow City	56.55	91.75	Both Suppliers
Highland			
Area A - Invermess, Aird and Loch Ness	71.57	91.75	Both Suppliers
Area B - Naim, Badenoch and Strathspey	71.57	91.75	Both Suppliers
Area C - Caithness and Sutherland	71.57	91.75	Both Suppliers
Area D - Wester Ross, Dingwall and Black Isle	71.57	91.75	Both Suppliers
Area E - Cromarty Firth, Tain and Easter Ross	71.57	91.75	Both Suppliers
Area F - Skye including Eilean a' Cheo and Lochalsh	71.57	91.75	Both Suppliers
Area G - Locaber including Caol, Mallaig, Fort William and Ardnamurchan	71.57	91.75	Both Suppliers
Inverclyde	65.36	91.75	Both Suppliers
Midlothian	55.64	91.75	Both Suppliers
Moray	63.13	91.75	Both Suppliers
North Ayrshire	55.64	91.75	Both Suppliers
North Lanarkshire	56.55	91.75	Both Suppliers
Orkney Islands	61.14	91.75	Both Suppliers
Perth & Kinross	63.67	91.75	Both Suppliers
Renfrewshire	56.55	91.75	Both Suppliers
Scottish Borders	64.27	91.75	Both Suppliers
Shetland Islands	No Bid	91.75	Jobling Purser
South Ayrshire	55.64	91.75	Both Suppliers
South Lanarkshire	56.55	91.75	Both Suppliers
Stirling	55.64	91.75	Both Suppliers
Tayside Contracts	55.14	91.75	Both Suppliers
West Dunbartonshire	56.55	91.75	Both Suppliers
West Lothian	55.64	91.75	Both Suppliers





## Scotland Excel

**To: Executive Sub Committee**

**On: 10 February 2017**

**Report  
by  
Director Scotland Excel**

**Tender: Engineering & Technical Consultancy**

**Schedule: 06/16**

**Period: 18 March 2017 until 17 March 2021**

### 1. Introduction and Background

The current framework for engineering and technical consultancy will expire on 17 March 2017. This recommendation is for the award of a renewal framework which will operate from 18 March 2017 to 17 March 2021.

This framework will provide councils and other participating bodies a mechanism to procure a comprehensive range of engineering and technical consultancy services. This framework will provide an efficient method of engaging external consultancy for services commonly used across councils which in turn will realise benefits for both councils and consultants in terms of administrative savings and the adoption of best practice. The NEC 3 Professional Services Contract 2013 and the NEC 3 Professional Services Short Contract 2013 form the terms and conditions on which the councils will contract.

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

### 2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of seven lots as summarised in Table 1.

**Table 1: Lotting Structure**

Lot No.	Description	Estimated % Spend through lot
1	Road and Structures	28%
2	Transportation and Traffic	33%
3	Environmental Engineering	4%
4	Land Surveying	3%

5	Drainage and Flooding	22%
6	Geotechnical and Testing	3%
7	Project Management	6%

The lotting structure aligns with the various specialisms within the market and facilitates the participation of specialist SME consultants in the procurement process.

As detailed in Appendix 1, 30 councils have confirmed their intention to participate in this framework. The Orkney Islands has no requirement for these services and South Lanarkshire Council has its own contractual arrangement in place. In addition to this, Scotland Excel associate members (NESTRANS and SPT) have confirmed participation in this framework.

Notwithstanding the above and, to allow for potential migration from existing arrangements during the life of the framework, all 32 councils and associate members were included in the Contract Notice for this framework.

The historical annual spend for participating councils and associate members for these services is £11m. However due to the development of projects such as City Deal and additional funding for flood prevention being issued to councils the framework was advertised at £17m per annum. This seeks to capture any additional spend through the above mentioned initiatives and also future proof the framework by accounting for further potential funding streams. It should be noted that there is no guarantee of any business, any level of business or any continuity of business under the terms of the advertised framework.

### **3. Procurement Process**

A Prior Information Notice (PIN) was published for this tender, on 18 July 2016. In total, 24 supplier meetings were held and these meetings helped inform the procurement strategy. During these meetings elements such as specifications, ability to service, market trends, community benefits and the inclusion of professional titles rates were discussed.

The UIG consisting of procurement and technical representatives from the participating councils endorsed the procurement strategy on 1 September 2016.

A working group of technical representatives from the councils was formed to review the technical specifications and establish the technical criteria to adopt during the tender process. The technical group also agreed on the inclusion of the NEC Professional Services Short Contract 2013 in addition to the longer version of the contract available under the current framework. This gives councils the option to select contractual terms appropriate to the value and risk of each project under the framework. It was also agreed that the framework pricing structure should be updated to include a number of professional title roles to enable easier cost forecasting and control. This group also played an integral role in evaluating technical responses from bidders.



To ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the renewal framework. The tender was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 31 October 2016. The tender process was conducted using the Public Contracts Scotland Tender system (PCS-T).

The procurement process followed a two stage tendering procedure. Stage one, Qualification was conducted using the European Single Procurement Document (ESPD). Within the ESPD tenderers are required to answer a number of exclusionary questions along with questions on insurance, financial standing, quality management, health and safety and environmental management.

At the second stage of the process, the offers were evaluated against the following criteria and weightings:

- Technical 50%
- Commercial 50%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to the main technical questions including how they will deliver the service and manage the service as well as what commitments they would make in respect to community benefits. In addition to these questions, lot specific technical questions were also asked in relation to bidder's technical merit, quality of work, innovation, legislation and sustainability.

Within the commercial section, bidders were invited to offer hourly rates for a range of clearly specified professional roles within each lot. As a minimum pricing was fixed for 12 months, however bidders had the opportunity to offer increased periods of fixed pricing of either 18 or 24 months. In addition to these rates for professional roles, bidders were required to offer hourly rates for a range of salary bands which would be fixed for the duration of the contract.

#### **4. Report on Offers Received**

The tender document was downloaded by 116 organisations, with 61 tender responses received. One response was non-compliant as the bidder (Aird Geomatics Limited) failed to submit a lot specific technical and commercial offer. This response was excluded from the evaluation and the bidder advised.

A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 60 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 criteria and weightings set out above, it is recommended that a multi supplier framework agreement is awarded to 27 suppliers across the seven lots as outlined in Appendix 3.

These 27 recommended suppliers offer full service and geographical coverage, best value and represent a mix of micro, small, medium and large organisations.

## 6. Benefits

### Savings

Scotland Excel conducted a benchmarking exercise based on current spend forecast of councils, comparing current prices paid with the average rates suppliers submitted against the new framework, and the result of this benchmarking is detailed in Appendix 1.

The projected average saving across all councils is 4.1%, which equates to an estimated total saving of approximately £490k per annum. The projected savings per council ranges from 3.2% to 10.6%.

### Price Stability

The salary banded rates are fixed for the full four year duration of the framework.

The framework terms mandate that the professional title rates are fixed for at least 12 months and limits future price increases to no greater than inflation. Of the 27 recommended suppliers, 20 have offered to fix their professional title rates for 24 months and one further supplier has offered to fix them for 18 months

### Sustainable Procurement Benefits

A tender question was asked on community benefits. Scotland Excel asked for bidders to make commitments based on them attaining £200,000 of spend per annum through the framework.

Various types of community benefit commitments were made, most significantly in employment and training opportunities. The following is the accumulation of commitments from the recommended suppliers:

- The appointment of 19 apprentices and 13 graduates with relevant training schemes.
- Work placements for 23 school pupils, 17 undergraduates and 3 long term unemployed
- Holding career advice sessions, engineering workshops and industry advice sessions for both school pupils and college students.

Various charity commitments were also made with one supplier committing to donate 0.75% of their received accumulative spend to a charity selected by the council with the greatest overall spend contribution per annum.

Other commitments included supporting communities through volunteering and sponsorship, and developing SMEs in the engineering consultancy industry by increasing business to them.

### **Fair Work Practices**

Bidders were asked to confirm their approach to fair work practices and the Scottish Living Wage status. Of the 27 recommended suppliers, 24 pay the living wage or above to all employees (except volunteers, apprentices and interns) and one further supplier has agreed to provide this same commitment within the initial two year period of the Framework Contract.

The recommended suppliers also incorporate a number of other initiatives to support their workforce, most notably:

- 19 suppliers offer flexible working,
- 8 offer childcare support,
- 5 have arranged development schemes for graduates,
- 4 offer development programmes for all staff and;
- 3 hold an Investors in People award.

Scotland Excel includes monitoring Fair Work Practices including the Living Wage within its contract and supplier management programme. Scotland Excel will work with all awarded suppliers who have not yet pay the Living Wage Foundation to encourage them to achieve this.

## **7. Contract Mobilisation and Management**

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring as a minimum annual supplier meetings. The UIG will be convened on a regular basis throughout the framework period.

Scotland Excel will host an event in March/April to mobilise this framework to user Councils. In addition, suppliers and councils will be issued with a mobilisation pack containing all required details to launch the framework.

As part of regular contract management, commitments to community benefits will be managed and reported on a six monthly basis.

## **8. Summary**

This framework for Engineering & Technical Consultancy aims to maximise collaboration, promote added value and deliver best value. A range of benefits can be reported in relation to savings, price stability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3.

## Appendix 1 – Participation, Spend and Savings Summary Engineering and Technical Consultancy 06/16

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	Start Date	£362,224	Contract MI	4.6%	£16,862	Benchmarked Current Contract
Aberdeenshire Council	Yes	Start Date	£1,294,565	Contract MI	4.6%	£59,550	Benchmarked Current Contract
Angus Council	Yes	Start Date	£100,000	Contract MI - Confirmed by Member	4.6%	£4,800	Benchmarked Current Contract
Argyll & Bute Council	Yes	Start Date	£200,000	Contract MI - Confirmed by Member	4.6%	£9,200	Benchmarked Current Contract
City of Edinburgh Council	Yes	Start Date	£1,170,000	Contract MI - Confirmed by Member	0.0%	£0	Benchmarked Current Contract
Clackmannanshire Council	Yes	Start Date	£55,000	Contract MI	4.6%	£2,530	Benchmarked Current Contract
Comhairle nan Eilean Siar	Yes	Start Date	£10,000	Contract MI - Confirmed by Member	4.6%	£460	Benchmarked Current Contract
Dumfries & Galloway Council	Yes	Start Date	£220,000	Contract MI	4.6%	£10,120	Benchmarked Current Contract
Dundee City Council	Yes	Start Date	£142,733	Contract MI	4.6%	£6,566	Benchmarked Current Contract
East Ayrshire Council	Yes	Start Date	£338,000	Contract MI	3.2%	£10,816	Benchmarked Using Member Provided Data
East Dunbartonshire Council	Yes	Start Date	£114,242	Contract MI	4.6%	£5,255	Benchmarked Current Contract
East Lothian Council	Yes	Start Date	£353,000	Contract MI - Confirmed by Member	4.6%	£16,238	Benchmarked Current Contract
East Renfrewshire Council	Yes	Start Date	£115,000	Contract MI - Confirmed by Member	4.6%	£5,290	Benchmarked Current Contract
Falkirk Council	Yes	Start Date	£20,000	Contract MI - Confirmed by Member	4.6%	£920	Benchmarked Current Contract
Fife Council	Yes	Start Date	£130,262	Contract MI	4.6%	£5,992	Benchmarked Current Contract
Glasgow City Council	Yes	Start Date	£1,500,000	Contract MI - Confirmed by Member	4.6%	£69,000	Benchmarked Current Contract
Highland Council	Yes	Start Date	£800,000	Contract MI - Confirmed by Member	4.6%	£36,800	Benchmarked Current Contract
Inverclyde Council	Yes	Start Date	£250,000	Contract MI - Confirmed by Member	4.6%	£11,500	Benchmarked Current Contract
Midlothian Council	Yes	Start Date	£75,000	Contract MI - Confirmed by Member	10.6%	£7,950	Benchmarked Using Member Provided Data
North Ayrshire Council	Yes	Start Date	£500,000	Contract MI - Confirmed by Member	3.2%	£16,000	Benchmarked Using Member Provided Data
North Lanarkshire Council	Yes	Start Date	£550,000	Contract MI	4.6%	£25,300	Benchmarked Current Contract
Orkney Islands Council	No						
Perth & Kinross Council	Yes	Start Date	£244,088	Contract MI	4.6%	£11,228	Benchmarked Current Contract
Renfrewshire Council	Yes	Start Date	£229,476	Contract MI	4.6%	£10,556	Benchmarked Current Contract
Scottish Borders Council	Yes	Start Date	£400,000	Contract MI - Confirmed by Member	4.6%	£18,400	Benchmarked Current Contract
Shetland Islands Council	Yes	Start Date	£135,300	Contract MI	4.6%	£6,224	Benchmarked Current Contract
South Ayrshire Council	Yes	Start Date	£20,000	Contract MI - Confirmed by Member	3.2%	£640	Benchmarked Using Member Provided Data
South Lanarkshire Council	No						
Stirling Council	Yes	Start Date	£100,000	Contract MI - Confirmed by Member	4.6%	£4,600	Benchmarked Current Contract
The Moray Council	Yes	Start Date	£128,700	Contract MI	4.6%	£5,920	Benchmarked Current Contract
West Dunbartonshire Council	Yes	Start Date	£275,000	Contract MI	4.6%	£12,850	Benchmarked Current Contract
West Lothian Council	Yes	Start Date	£182,503	Contract MI	7.1%	£12,958	Benchmarked Using Member Provided Data
NESTRANS	Yes	Start Date	£200,000	Contract MI - Confirmed by Member	4.6%	£9,200	Benchmarked Current Contract
SPT	Yes	Start Date	£500,000	Contract MI - Confirmed by Member	4.6%	£23,000	Benchmarked Current Contract
<b>Totals</b>			<b>£10,715,093</b>		<b>4.1%</b>	<b>£436,125</b>	

## Appendix 2 - SME Status

Tenderer Name	SME Status	Location	Lots offered
AECOM Limited	Large	Edinburgh	1, 2, 3, 4, 5, 6 and 7
Ambiental Technical Solutions Ltd	Not available	Glasgow	5
Amec Foster Wheeler Environment & Infrastructure UK Ltd	Large	Cheshire	3
Amey OW Limited	Large	Oxford	1, 2, 3 and 5
Arcadis Consulting (UK) Limited	Large	London	1, 2, 3, 6 and 7
Arch Henderson LLP	Small	Glasgow	1
OVE Arup & Partners Scotland Limited	Large	Glasgow	1, 2, 3, 5, 6 and 7
Atkins Limited	Large	Surrey	1, 2, 3, 5, 6 and 7
Blom Aerofilms Ltd	Small	Somerset	4
Capita Property and Infrastructure Ltd	Large	Glasgow	1, 2, 3, 5, 6 and 7
Central Alliance Pre Construction Services Ltd	Small	West Yorkshire	4
CH2M HILL United Kingdom	Large	Glasgow	1, 2, 3, 5, 6 and 7
Clayton Fourie Consultancy Ltd	Micro	Edinburgh	1 and 2
Coffey Geotechnics Ltd	Small	Manchester	6
Cundall Johnston and Partners LLP	Medium	Edinburgh	2, 5 and 6
Currie & Brown UK Limited	Large	Glasgow	7
Curtins Consulting Ltd	Medium	Glasgow	2
Dougall Baillie Associates Ltd	Small	East Kilbride	1, 2 and 5
Energised Environments Ltd	Small	Edinburgh	3
Envirocentre Ltd	Small	Glasgow	3, 5 and 6
Fairhurst	Large	Glasgow	1, 2, 5 and 6
Gardiner & Theobald LLP	Large	Glasgow	7
Gavin & Docherty Geosolutions Ltd	Small	Edinburgh	6
HaskoningDHV UK Ltd	Large	Peterborough	1, 3 and 5
HR Wallingford Ltd	Medium	Oxfordshire	5
Ian White Landscape Architects Ltd	Small	Stirling	1, 3 and 5
IBI Group (UK) Ltd	Large	Manchester	2
Idom Merebrook Ltd	Small	Stirling	2, 3, 4 and 5
IIC Technologies Ltd	Small	York	4
IKM Consulting Ltd	Medium	Grangemouth	3, 4 and 6
Innovair Ltd	Not available	Aberdeen	4
Inspectahire Instrument Company Limited	Small	Aberdeen	1 and 6
Ironside Farrar Ltd	Small	Edinburgh	3 and 6
Jacobs UK Ltd	Large	Wokingham	1, 2, 3, 5 and 6
Jeremy Benn Associates Limited	Small	Edinburgh	3, 4, 5 and 6
Land Use Consultants	Medium	Glasgow	3
Local Transport Projects Ltd	Small	Beverley	2
Mabbett & Associates Ltd	Small	Glasgow	3
Mason Land Surveys Ltd	Small	Dunfermline	4
Mott MacDonald Limited	Large	Edinburgh	1, 2, 3, 5, 6 and 7
MWH UK Limited	Large	Bucks	1, 3, 5, 6 and 7
Patrick Parsons Ltd	Small	Glasgow	1, 5 and 6
Peter Brett Associates LLP	Large	Glasgow	1, 2, 3, 5, 6 and 7
Pick Everard	Large	Glasgow	1, 2, 5 and 7
PUNCH Consulting Engineers	Small	Paisley	5
Roads Manager Ltd	Not available	Edinburgh	1
RSK Environment Limited	Large	Glasgow	2, 3, 4, 5, 6 and 7
Stuart Burke Associates	Small	Edinburgh	1, 5 and 6
Sweco UK Limited	Large	Edinburgh	1, 2, 3, 5 and 6
SYSTRA Limited	Large	Glasgow	1, 2 and 7
RPS Consulting Services Limited	Large	Abingdon	1, 2, 3, 4, 5, 6 and 7
Tracsis Traffic Data Limited	Medium	Leeds	2
Turner & Townsend Project Management Ltd	Large	Leeds	7
UTEC Starnet Geomatics Ltd	Large	Livingston	4
Wallace Stone LLP	Small	Glasgow	1
Wardell Armstrong LLP	Large	Edinburgh	1, 3, 4, 5 and 6
Waterman Infrastructure & Environment Ltd	Large	Glasgow	1, 2, 3, 5 and 6
Will Rudd Davidson (Edinburgh) Ltd	Small	Edinburgh	1
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")	Large	London	1, 2, 3, 4, 5, 6 and 7
WYG Environment Planning Transport Ltd	Large	Edinburgh	1, 2, 3, 4, 5, 6 and 7



### Appendix 3 - Scoring and Recommendations

<b>Lot 1 Roads and Structures</b>	
<b>Tenderer</b>	<b>Score</b>
Sweco UK Ltd*	84.5
Peter Brett Associates LLP*	76.4
WYG Environment Planning Transport Ltd*	75.5
Arcadis Consulting (UK) Limited*	73.8
RPS Consulting Services Limited*	73.7
SYSTRA Ltd*	73.4
Dougall Baillie Associates Ltd*	71.0
Amey OW Limited*	70.9
AECOM Limited*	70.7
Capita Property and Infrastructure Ltd*	70.6
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	70.3
Atkins Ltd*	69.4
Fairhurst*	69.1
Clayton Fourie Consultancy Ltd*	68.5
Mott MacDonald Limited*	68.2
Jacobs UK Ltd*	67.7
OVE Arup & Partners Scotland Limited*	66.3
CH2M HILL United Kingdom*	65.6
Wallace Stone LLP	63.4
MWH UK Limited	63.4
Waterman Infrastructure & Environment Ltd	61.8
Stuart Burke Associates	59.3
Arch Henderson LLP	59.0
Pick Everard	58.7
Roads Manager Ltd	57.5
Wardell Armstrong LLP	57.4
HaskoningDHV UK Ltd	56.8
Ian White Associates Landscape Architects Ltd	52.6
Will Rudd Davidson Ltd	46.6
Patrick Parsons Ltd	41.9
Inspectahire Instrument Company Limited	28.4
<b>Lot 2 Transportation and Traffic</b>	
<b>Tenderer</b>	<b>Score</b>
Sweco UK Ltd*	79.2
Amey OW Limited*	76.7
Peter Brett Associates LLP*	75.7
Arcadis Consulting (UK) Limited*	75.7
SYSTRA Ltd*	73.9
WYG Environment Planning Transport Ltd*	73.8
AECOM Limited*	72.6
Mott MacDonald Limited*	71.8
RPS Consulting Services Limited*	70.6
Local Transport Projects Ltd*	69.6
Tracsis Traffic Data Limited*	69.4
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	69.3
Atkins Ltd*	69.2
Jacobs UK Ltd*	68.7
CH2M HILL United Kingdom*	68.6
Dougall Baillie Associates Ltd*	67.0
Clayton Fourie Consultancy Ltd*	65.8
Capita Property and Infrastructure Ltd*	65.1
RSK Environment Limited*	64.9
Fairhurst*	64.4
OVE Arup & Partners Scotland Limited	59.5
Waterman Infrastructure & Environment Ltd	59.0
IBI Group (UK) Limited	57.7
Curtins Consulting Ltd	53.1
Pick Everard	52.9
Cundall Johnston and Partners LLP	49.9
Idom Merebrook Ltd	34.7

<sup>1</sup> Asterisk (\*) denotes recommended suppliers

<b>Lot 3 Environmental Engineering</b>	
<b>Tenderer</b>	<b>Score</b>
Sweco UK Ltd	81.5
Peter Brett Associates LLP*	78.1
Mott MacDonald Limited*	78.0
Amey OW Limited*	77.0
RPS Consulting Services Limited*	76.7
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	75.9
Arcadis Consulting (UK) Limited*	75.2
WYG Environment Planning Transport Ltd*	72.3
RSK Environment Limited*	71.5
Atkins Ltd*	69.9
Capita Property and Infrastructure Ltd*	69.3
Jacobs UK Ltd	68.2
AECOM Limited	68.1
CH2M HILL United Kingdom	67.7
MWH UK Limited	66.1
Ironside Farrar Limited	64.3
IKM Consulting Ltd	63.9
Waterman Infrastructure & Environment Ltd	63.6
OVE Arup & Partners Scotland Limited	62.3
EnviroCentre Limited	61.7
Jeremy Benn Associates Limited	60.7
HaskoningDHV UK Ltd	59.4
Amec Foster Wheeler Environment & Infrastructure UK Limited	58.0
Energised Environments Ltd	57.6
Wardell Armstrong LLP	57.3
Mabbett & Associates Ltd	56.9
Ian White Associates Landscape Architects Ltd	54.6
Land Use Consultants	51.6
Idom Merebrook Ltd	41.6
<b>Lot 4 Land Surveying</b>	
<b>Tenderer</b>	<b>Score</b>
RPS Consulting Services Limited*	77.8
WYG Environment Planning Transport Ltd*	76.8
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	74.8
IIC Technologies Ltd*	72.5
RSK Environment Limited*	70.9
AECOM Limited*	68.5
Jeremy Benn Associates Limited*	68.5
Wardell Armstrong LLP	58.9
IKM Consulting Ltd	58.7
Blom Aerofilms Limited	58.3
Mason Land Surveys Limited	56.6
Central Alliance Pre Construction Services Ltd	51.1
Idom Merebrook Ltd	42.5
Innovair Limited	41.2
UTEC Starnet Geomatics Ltd	40.2

<sup>1</sup> Asterisk (\*) denotes recommended suppliers



<b>Lot 5 Drainage and Flooding</b>	
<b>Tenderer</b>	<b>Score</b>
RPS Consulting Services Limited*	83.0
Peter Brett Associates LLP*	78.6
Sweco UK Ltd*	78.1
WYG Environment Planning Transport Ltd*	77.3
Amey OW Limited*	72.7
AECOM Limited*	72.4
Atkins Ltd*	72.3
Mott MacDonald Limited*	71.7
Fairhurst*	70.8
Dougall Baillie Associates Ltd*	70.5
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	70.0
MWH UK Limited*	69.2
CH2M HILL United Kingdom*	68.6
Capita Property and Infrastructure Ltd*	68.4
Jacobs UK Ltd*	67.8
OVE Arup & Partners Scotland Limited*	67.4
RSK Environment Limited*	67.3
Jeremy Benn Associates Limited	63.9
EnviroCentre Limited	63.9
Waterman Infrastructure & Environment Ltd	63.8
Pick Everard	60.8
Stuart Burke Associates	59.3
HaskoningDHV UK Ltd	58.9
HR Wallingford Limited	56.4
Wardell Armstrong LLP	55.5
Cundall Johnston and Partners LLP	54.4
Ian White Associates Landscape Architects Ltd	53.3
PUNCH Consulting Engineers Limited	50.3
Patrick Parsons Ltd	41.3
Idom Merebrook Ltd	37.9
Ambiental Technical Solutions Limited	34.9
<b>Lot 6 Geotechnical and Testing</b>	
<b>Tenderer</b>	<b>Score</b>
Sweco UK Ltd*	88.4
Peter Brett Associates LLP*	80.3
Arcadis Consulting (UK) Limited*	80.2
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	78.1
RPS Consulting Services Limited*	77.5
Mott MacDonald Limited*	76.6
WYG Environment Planning Transport Ltd*	75.4
Atkins Ltd*	73.2
RSK Environment Limited*	73.0
Fairhurst*	72.7
Jacobs UK Ltd*	71.7
AECOM Limited*	71.3
CH2M HILL United Kingdom*	70.7
OVE Arup & Partners Scotland Limited*	70.0
Capita Property and Infrastructure Ltd*	69.7
MWH UK Limited	67.2
Ironside Farrar Limited	64.9
Waterman Infrastructure & Environment Ltd	64.8
IKM Consulting Ltd	63.6
Stuart Burke Associates	63.4
EnviroCentre Limited	60.8
Jeremy Benn Associates Limited	60.0
Wardell Armstrong LLP	58.0
Gavin & Doherty Geosolutions Ltd.	57.0
Coffey Geotechnics Ltd	54.2
Cundall Johnston and Partners LLP	48.1
Patrick Parsons Ltd	47.1
Inspectahire Instrument Company Limited	32.0

<sup>1</sup> Asterisk (\*) denotes recommended suppliers

Lot 7 Project Management	
Tenderer	Score
Gardiner & Theobald LLP*	75.3
WSP UK Limited (trading as "WSP   Parsons Brinckerhoff")*	70.0
Turner & Townsend Project Management Ltd*	67.2
Mott MacDonald Limited*	66.4
RPS Consulting Services Limited*	65.9
MWH UK Limited*	64.9
Capita Property and Infrastructure Ltd*	64.2
Atkins Ltd*	63.5
SYSTRA Ltd*	62.7
Currie & Brown UK Limited*	62.5
Arcadis Consulting (UK) Limited*	61.6
AECOM Limited*	60.8
WYG Environment Planning Transport Ltd*	60.7
Peter Brett Associates LLP*	60.7
CH2M HILL United Kingdom*	59.9
RSK Environment Limited	58.5
Pick Everard	58.4
OVE Arup & Partners Scotland Limited	58.0
IBI Group (UK) Limited	51.7

<sup>1</sup> Asterisk (\*) denotes recommended suppliers

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2016**

**Report  
by  
Director Scotland Excel**

**Tender: Fostering and Continuing Care Services**

**Schedule: 10/15**

**Period: 25 March 2017-24 March 2019 (with the option of extension for up to two years up to 24 March 2021)**

### **1. Introduction and Background**

This framework will be the second national framework in Scotland for fostering services. The current fostering framework will end on 24 March 2017. The framework will enable local authorities to purchase fostering placements from independent and voluntary providers as a supplement to their internal provision.

Fostering services provide family based care for children and young people who cannot live with their own families. Children may be fostered for a wide variety of reasons and may stay in foster care for a short period before returning to their families or moving onto a longer term placement. Some children stay in foster care until they reach adulthood.

Fostering services are provided by all 32 local authorities in Scotland as well as by independent and voluntary providers. All services must be registered by the Care Inspectorate. Providers of foster care services in Scotland must operate on a not for profit basis.

This framework has been developed in a context of change in national legislation and policy, and has been designed to take account of outputs from the Scottish Government's Foster Care Review that are expected to take effect during the life of the new framework.

The original framework was based around core type placements, although local authorities are also able to purchase additional services to support individual placements where required. The scope of the new framework has been extended to include enhanced/specialist services and short breaks. This will enable local authorities to purchase a greater range and proportion of their purchased foster care through the framework. The framework also allows an

option for local authorities to purchase continuing care services which will support them in addressing their responsibilities under the *Children and Young People (Scotland) Act 2014*.

## **2. Scope, Participation and Spend**

The structure of the new framework continues to set out a clearly specified core or “standard” service, but now with the opportunity to purchase a range of “enhanced” or specialist services offered by bidders, each with their own characteristics. Accordingly, there are two service options:

Service Option 1 – Standard Service

Service Option 2 – Enhanced Services

Both service options include options for short breaks and continuing care services. It is expected that approximately 90% of spend will be on Service Option 1 - Standard Service.

The framework agreement is open to all 32 Scottish local authorities and any integrated health and social care organisations taking on their legal responsibilities as a result of the *Public Bodies (Joint Working) (Scotland) Act 2014*. Glasgow City Council has its own separate purchasing arrangements and has confirmed that it will not purchase services under the national framework.

Fostering services are purchased on a case by case basis, making it difficult to estimate future expenditure, and under the framework there is no guarantee given of any business, any level of business or any continuation of business. Spend on the current framework has continued to increase throughout its duration. Transfer of placements from the current framework is not automatic, and so initial spend may again be relatively low while local authorities set up individual arrangements. Spend on the framework is likely to be a combination of new standard placements, existing placements and new enhanced placements. Extrapolating existing spend information, with estimates for expansion of the scope and market growth, the overall framework spend for four years is estimated at approximately £104 million. An estimate of average annual spend per local authority (over the four years) is shown in Appendix 1 - Participation, Spend and Savings Summary. The actual spend, however, may be affected by the unpredictable nature of individual needs and the availability of in-house foster carers. It should be noted that local authority spend is not related to the size of the local authority, but is related to the proportion of fostering services delivered in-house. A local authority that delivers the majority of services through its own fostering services is likely to have relatively low spend even if a high proportion of its purchased services are obtained via the framework.

### **3. Procurement Process**

#### **Development of the strategy**

A series of meetings were held with key local authorities to discuss options for the procurement strategy. Local authorities were also surveyed to gauge views about future requirements.

The UIG agreed to expand the framework to include enhanced/specialist services and short breaks, but without a detailed specification for enhanced/specialist services, instead requiring providers to provide information about the specific services offered and their prices. This option allows the majority of local authorities' requirements to be covered by the framework, and increases transparency, but avoids the difficulties of agreeing multiple specifications for diverse services.

#### **Stakeholder engagement**

Development of the framework has included consultation and engagement with a range of stakeholders. In addition to local authorities, engagement with other stakeholders included:

- A Prior Information Notice (PIN) issued in July 2015 relating to consultation on the framework development
- A further PIN issued in May 2016 seeking views from providers and other interested organisations on the draft service specification.
- Discussion with organisations representing providers and foster carers
- Discussion with the Centre for Excellence for Looked After Children in Scotland (CELCIS)

Views of children and young people were obtained in development of the current framework specification, which forms the basis for the new framework, and advice from CELCIS and local authorities indicated that these were still valid. A review of recent research involving children and young people's and foster carers' views about fostering services was undertaken and key points included in the service specification.

#### **Tender strategy and evaluation**

The framework falls under the new EU "light touch" arrangements, for social and other services implemented via the Public Contracts (Scotland) Regulations 2015, and was advertised in the Official Journal of the European Union and via the Public Contracts Scotland portal. Providers had the option to bid for one or both service options.

An open-type procedure was used to encourage maximum provider participation and facilitate as much choice of services and providers as possible. A voluntary standstill procedure will be undertaken before awards of participation on the framework are made.

The tender included qualification, technical/quality and commercial elements.

Evaluation of the tenders was in two stages. At stage one (qualification), offers were examined to ensure that the bidder met basic financial, technical and business robustness criteria, using the new European Single Procurement Document (ESPD)(Scotland). Only those bidders passing stage one had their commercial and quality/technical offers evaluated. The minimum selection criteria providers were required to meet were:

- appropriate registration with the Care Inspectorate;
- Care Inspectorate quality grades of 4 or above for all quality themes;
- no current inspection requirements set by the Care Inspectorate where there is a lack of evidence of improvement or plans to improve;
- satisfactory foster care agreement documents;
- minimum levels of insurance cover or the ability to obtain the required levels; and
- satisfactory financial stability.

To ensure new entrants to the market were not disadvantaged, provision was included for any bidder who did not hold the relevant registration or quality gradings to be recommended for award, which award will be deferred until satisfactory evidence has been supplied of achieving registration and/or quality grades, provided this is within 12 months (or such other period determined by Scotland Excel) of the start of the framework (deferred award).

The second stage of the tender was evaluated on quality and price. The following weightings were used:

- 70% - quality/technical competence
- 30% - commercial.

The quality section assessed elements including managing placement crisis, quality of staff and quality of foster carers, and implementation of national indicators. Bidders were also asked to provide details of the community benefits they would offer during the framework and information relating to the Living Wage and Fair Employment.

Bidders were invited to offer for one or both of the service options, and to offer weekly agreed fees in each service option for which they wished to be considered. An agreed fee for each of four age bands (0-4, 5-10, 11-15 and 16-17) was required in Service Option 1 and for the purposes of evaluation a single agreed fee for all ages was required in Service Option 2- Enhanced Services. Weightings based on spend on the current framework were applied for the age bands. Bidders were also invited to offer discounts defined in the tender for specific aspects which were weighted based on spend in the current framework and scored in both service options.

Bidders were able to submit prices for optional additional services (not scored) which will be available to local authorities to assist with setting up tailored services for individuals.



The agreed fee for Service Option 1 covers delivery of the core service. The agreed fee for Service Option 2 covers three elements: delivery of the core service; delivery of additional key specified minimum requirements for an enhanced service; and the elements of service additional to these which comprise the specific service as detailed by each bidder.

#### **4. Report on Offers Received**

Offers were received from 15 organisations. There were 13 offers for Service Option 1- Standard Service, and 41 offers under Service Option 2 – Enhanced Services. A full evaluation was undertaken of all bids using the evaluation methodology and criteria advertised in the tender. Details of the SME status and location of these organisations is summarised in Appendix 2 – SME Status, and a summary of the scores they achieved is shown in Appendix 3 – Scoring and Recommendations.

At the time of submitting tender responses, one bidder did not meet the registration and grading requirements. If this is still the case at the start of the framework, award to this provider will be deferred until satisfactory evidence that the requirements are met is received, as long as this is achieved within 12 months or an alternative timescale as deemed appropriate. The bidder has indicated it is in the process of becoming registered, and so it is anticipated that the requirements may be met within a shorter timescale.

#### **5. Recommendations**

One of the objectives of the framework is to give maximum choice of services and providers available to meet diversity of needs. All bidders have or are expected to achieve the minimum quality requirements. It is therefore recommended that participation on the framework agreement be awarded to all 15 bidders who submitted compliant bids as detailed in Appendix 3 – Scoring and Recommendations.

#### **6. Benefits**

##### **Pricing**

As with the current framework the new framework will be based on the requirement to make placement decisions appropriate to the individual needs of each child, and so it is not expected that the new framework will provide significant opportunities for savings. Comparison between the weekly prices charged by providers under the current framework and the bid prices for standard services tendered by the same providers indicates an estimated overall increase of around 1.5%.

Review of relevant market indices confirms an inflationary increase of over 2.5% over the current framework period. The prices for all except two of the providers under the current framework have remained fixed since 2013, with an overall average framework price impact of only 0.3% incurred.

The bespoke nature of enhanced services makes it difficult to compare framework pricing for Service Option 2 and the services currently being purchased by local authorities. The framework however will enable local authorities to have clearer information about enhanced services, including pricing.

### **Price Stability**

As with the current framework, providers will have an option to request price review on an annual basis. Any such requests will require to be accompanied with satisfactory documentary evidence, and elements will be limited by the change in the Consumer Price Index or 2% as specified in the framework agreement.

### **Sustainable Procurement Benefits**

Tenderers were requested to consider sustainability issues within the technical section of the tender, and the framework agreement embodies a number of potential sustainability benefits.

The framework supports children and young people who may be disadvantaged in society. It aims to increase the life choice and opportunities for these individuals. It also supports local employment and skills development in the care sector.

### Community Benefits

Bidders were asked to detail the community benefits initiatives they would commit to deliver during the lifetime of the framework. These commitments will be used as a baseline and progress monitored through reports from each organisation throughout the life of the framework. Community benefits offered include:

- 43 full time and three part time new employees
- 440 hours of accredited training to employees and 768 hours of accredited training to non-employees
- work placements
- use of local community venues
- charitable donations
- carer pamper days linking with local college students
- use of local tradesmen for office maintenance
- excess furniture donations to charity

### Living Wage

The tender made clear the expectation that payment of the Scottish Living Wage will be promoted and encouraged through the framework. All bidders have confirmed that they pay their staff at least the Scottish Living Wage, and six organisations said they are either accredited with the Living Wage Foundation or are going through accreditation, while a further two committed to becoming accredited within the initial two years of the framework.



### Fair Work Practices

Bidders were asked to provide a statement detailing their approach to fair work practices and retention of staff. Responses included a range of salary related, contractual and additional benefits including flexible working, staff training and development programmes, employee support and staff engagement structures. Many also promoted wellbeing and work-life balance and offered various staff discounts. Three organisations stated they had Investors in People or other staff awards or accreditations. The responses to this question will be reviewed periodically during the framework to ensure high standards of employment practices are maintained.

### Other Benefits

The framework will also offer opportunities for:

- understanding the nature of specialist and enhanced services and the similarities and differences between services;
- differentiating more clearly between standard and enhanced services and gaining greater understanding of the costs;
- measuring the uptake of continuing care services;
- understanding the needs of young people in continuing care services and how these differ from fostering services;
- increased transparency in the relationship between price and service delivery;
- understanding differences between different enhanced services.

The new framework will also provide the following additional benefits:

- support to purchasers in meeting their responsibilities in relation to changes in legislation and national policy, through a revised service specification for core services that incorporates learning from the current framework and both covers implemented changes, and takes account of expected changes;
- greater flexibility for purchasers to purchase individualised services through an additional service option for enhanced services, as well as by allowing for purchasing of short breaks and continuing care placements;
- greater clarity of information about the nature of enhanced services – a new basic specification sets key standards and provider-defined specifications will allow comparison and choice;
- discounts for long term and sibling placements, permanence and volume placements; and
- improved transparency in relation to fees.

## **7. Contract Mobilisation and Management**

Contract mobilisation will take place as soon as award notices have been issued, and is expected to continue during the initial months of the framework. Mobilisation briefings with each provider will be held as soon as possible.

Written guidance and information packs will be developed for local authorities. Briefing meetings for local authorities will be held on a regional basis and they will also be offered further local support as required.

The membership of the UIG will be reviewed on completion of the tender to form an ongoing contract management reference group.

Contract management will involve meetings with providers to discuss operational issues and opportunities for improvements at least annually or more frequently if required. Issues relating to performance will be referred to the contract management reference group.

Management information will be gathered by Scotland Excel on a quarterly basis including information about usage and spend, reasons for end of placements, types of enhanced and additional services, continuing care and on a six monthly basis about community benefits delivered and payment of the Scottish Living Wage. Providers will also be required to submit management information to purchasers where requested. An annual report will be produced summarising activity and performance on the framework.

## **8. Summary**

The national framework continues and develops the expectations of high quality fostering services established by the current foster care services framework. It brings additional value by expanding the scope to include enhanced services, covering the majority of local authority requirements for externally purchased fostering services. The framework also enables local authorities to support young people who choose to stay on in their fostering placement as a continuing care service, promoting stability and continuity of support. Local authorities will have greater choice of services, and better access to information about their content and price.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement to all providers as detailed in Appendix 3 – Scoring and Recommendations.

## Appendix 1 – Participation, Spend and Savings Summary

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data
Aberdeen City Council	Yes	25 March 2017	£4,262,145	Management Information
Aberdeenshire Council	Yes	25 March 2017	£750,121	Management Information
Angus Council	Yes	25 March 2017	£20,000	Member Provided
Argyll & Bute Council	Yes	25 March 2017	£82,043	Management Information
City of Edinburgh Council	Yes	25 March 2017	£3,311,617	Management Information
Clackmannanshire Council	Yes	25 March 2017	£867,298	Management Information
Comhairle nan Eilean Siar	Yes	25 March 2017	£0	Management Information
Dumfries and Galloway Council	Yes	25 March 2017	£0	Management Information
Dundee City Council	Yes	25 March 2017	£1,967,708	Management Information
East Ayrshire Council	Yes	25 March 2017	£605,422	Management Information
East Dunbartonshire Council	Yes	25 March 2017	£802,888	Management Information
East Lothian Council	Yes	25 March 2017	£278,612	Management Information
East Renfrewshire Council	Yes	25 March 2017	£206,532	Management Information
Falkirk Council	Yes	26 March 2017	£0	Management Information
Fife Council	Yes	25 March 2017	£3,883,640	Member Provided
Glasgow City Council	No	n/a	n/a	n/a
Highland Council	Yes	25 March 2017	£50,000	Member Provided
Inverclyde Council	Yes	25 March 2017	£256,611	Management Information
Midlothian Council	Yes	25 March 2017	£608,858	Management Information
North Ayrshire Council	Yes	25 March 2017	£633,000	Management Information
North Lanarkshire Council	Yes	25 March 2017	£759,340	Management Information
Orkney Islands Council	Yes	25 March 2017	£0	Management Information
Perth & Kinross Council	Yes	25 March 2017	£850,000	Member Provided
Renfrewshire Council	Yes	25 March 2017	£1,470,745	Management Information
Scottish Borders Council	Yes	25 March 2017	£72,917	Management Information
Shetland Islands Council	Yes	25 March 2017	£0	Management Information
South Ayrshire Council	Yes	25 March 2017	£1,482,275	Member Provided
South Lanarkshire Council	Yes	25 March 2017	£454,765	Management Information
Stirling Council	Yes	25 March 2017	£91,817	Management Information
The Moray Council	Yes	25 March 2017	£640,656	Management Information
West Dunbartonshire Council	Yes	25 March 2017	£1,112,604	Member Provided
West Lothian Council	Yes	25 March 2017	£406,716	Management Information
<b>Total</b>			<b>£25,928,330</b>	

## Appendix 2 - SME Status

Bidder	SME Status	Location	Service Options Tendered
Barnardo's	Large	Edinburgh	1 and 2
Carevisions Fostering Limited	Small	Stirling	1 and 2
Carolina House Trust	Small	Dundee	1 and 2
Core Assets Scotland Limited trading as Foster Care Associates Scotland	Medium	Glasgow	1 and 2
Dean and Cauvin Trust	Small	Edinburgh	2
Foster Care Connect Ltd	Micro	Galashiels	1 and 2
Fostering People Scotland Ltd	Micro	Dundee	1 and 2
Fostering Relations Limited	Small	Dalgety Bay, Fife	1 and 2
Fostering Solutions (Northern) Ltd	Small	Bolton	1
Fosterplus (Fostercare) Ltd	Medium	Edinburgh	1 and 2
Quarriers	Large	Bridge of Weir	2
St Andrew's Children's Society Ltd	Small	Edinburgh	1
Swiis Foster Care Scotland Ltd	Medium	Dunfermline	1 and 2
The Adolescent and Children's Trust	Medium	Edinburgh	1 and 2
The National Fostering Agency (Scotland) Ltd	Medium	Uxbridge, Middlesex/Stirling	1 and 2

### Appendix 3 - Scoring and Recommendations

Service Option 1 – Standard Service	
Bidder	Score
Fostering People Scotland Ltd *	77.1
Core Assets Scotland Limited trading as Foster Care Associates Scotland *	73.9
Swiis Foster Care Scotland Ltd *	73.6
Barnardo's *	71.0
The Adolescent and Children's Trust *	69.8
Fostering Solutions (Northern) Ltd *	68.7
Carevisions Fostering Limited *	65.0
The National Fostering Agency (Scotland) Ltd *	63.9
Foster Care Connect Ltd *	61.3
Carolina House Trust *	59.1
Fostering Relations Limited *	54.3
St Andrews Children's Society Ltd *	53.3
Fosterplus (Fostercare) Ltd *	53.3

Asterisk (\*) denotes recommended providers

Service Option 2 – Enhanced Services			
Bidder	Service Name	Score	DEFERRED AWARD
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Team Parenting	73.0	
Swiis Foster Care Scotland Ltd*	Enhanced Service	70.3	
Swiis Foster Care Scotland Ltd*	Permanence Service	70.1	
Fostering People Scotland Ltd*	Specialist	67.6	
Swiis Foster Care Scotland Ltd*	Parent & Child Service	66.8	
Barnardo's *	1. Complex Needs	66.6	
Fostering People Scotland Ltd*	Parent & Child (P&C)	65.1	
Fostering People Scotland Ltd*	Disability	63.3	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Solo Placements	63.2	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Placements for Children and Young People with Disabilities	63.2	
Fostering People Scotland	Singleton	62.4	

Ltd*			
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Parent and Child	<b>60.7</b>	
The National Fostering Agency (Scotland) Ltd*	Children / Young People with Disabilities	<b>60.1</b>	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Step Down Placements	<b>59.6</b>	
Fostering People Scotland Ltd*	Transitions	<b>59.3</b>	
The Adolescent and Children's Trust*	Complex Needs	<b>57.6</b>	
Carolina House Trust*	2. Parent and Child	<b>56.4</b>	
Barnardo's *	2. Solo	<b>56.2</b>	
Carolina House Trust*	1. Short Breaks	<b>55.6</b>	
Quarriers*	Foster Care Services for Children with Disabilities including Learning Disabilities, Autism, Challenging Behaviours and Physical Disabilities	<b>55.6</b>	
Fostering Relations Limited*	Parent and child	<b>54.1</b>	
The Adolescent and Children's Trust*	Solo	<b>54.1</b>	
The National Fostering Agency (Scotland) Ltd*	Children / Young People with Complex / Challenging Behaviour	<b>53.6</b>	
The National Fostering Agency (Scotland) Ltd*	Parent and Child	<b>52.4</b>	
Carevisions Fostering Limited *	1) Parent and Child Placement	<b>51.8</b>	
Foster Care Connect Ltd*	Children and Young People who have suffered trauma	<b>51.2</b>	
Foster Care Connect Ltd*	Children and Young People who present complex and challenging behaviour	<b>51.2</b>	
Foster Care Connect Ltd*	Children and Young people who require intensive support	<b>51.2</b>	
Dean and Cauvin Trust*	Young People with Complex/ Challenging Behaviour	<b>50.9</b>	DEFERRED AWARD
Dean and Cauvin Trust*	Parent and Child	<b>50.7</b>	DEFERRED AWARD
Fostering Relations Limited*	Other - Solo	<b>50.5</b>	
Fostering Relations Limited*	Children/Young People with disabilities	<b>50.5</b>	

Carevisions Fostering Limited *	2) Intensive Support Placement	<b>49.6</b>	
Carolina House Trust*	3. Augmented Placement	<b>49.3</b>	
Dean and Cauvin Trust*	Intensive Support	<b>48.7</b>	DEFERRED AWARD
Dean and Cauvin Trust*	CYP who has suffered severe Trauma	<b>48.7</b>	DEFERRED AWARD
Fosterplus (Fostercare) Ltd*	Enhanced Service - Complex	<b>48.6</b>	
Barnardo's *	3. Short Breaks	<b>48.6</b>	
Barnardo's *	4. Parent and Child	<b>48.2</b>	
The Adolescent and Children's Trust*	Child and Parent	<b>39.4</b>	
Fosterplus (Fostercare) Ltd*	Enhanced Service - Parent and Child	<b>37.6</b>	

Asterisk (\*) denotes recommended providers





## **Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2017**

**Report  
by  
Director Scotland Excel**

**Tender: Secure Care**

**Schedule: 07/16**

**Period: 1 April 2017 until 31 March 2019 with an option to extend up to 31 March 2020**

### **1. Introduction and Background**

The current secure care arrangements began in July 2013 and were put in place for a period of three years with the option to extend for up to a maximum of one further year.

The Scottish Government has funded the Centre for Youth and Criminal Justice (CYCJ) to carry out a fixed term project to make recommendations about the future configuration of the secure estate in Scotland. Amongst other objectives, the project is looking at “developing future medium/longer term options for the sustained operation of the secure estate and providing recommendations for the Scottish Government, secure accommodation providers, local authorities and their representative bodies, to consider”.

This project has pivotal role in determining any long term procurement strategy for secure care and is due to complete in March 2017. As the current contracts expire in June 2017, the results of the project will not be available in time to be factored into a longer term arrangement.

It was therefore agreed with stakeholders that, in order to ensure service continuity and create stability in the sector whilst awaiting the outcome of the review, the term of this new arrangement be for a period of two years, with the option to extend up to 12 months.

A form of negotiation, tailored to reflect the EU’s light-touch regime for the procurement of care and support services, was followed for this successor arrangement on the basis that the independent market in Scotland is limited to the four currently contracted providers. This report covers the process and outcome of this negotiated procedure and, in section 5, recommends the award

of contracts for secure care from 1 April 2017 to 30 March 2019 with an option to extend up to 31 March 2020.

## **2. Scope, Participation and Spend**

Secure accommodation restricts the liberty of children and young people under the age of 18 placed in such care. Children and young people can be placed in secure accommodation through a variety of ways including where a child is 'looked after' by the local authority, as a requirement of the Children's Hearings Scotland system, or the Courts.

Secure accommodation is a form of residential care for the very small number of children and young people whose needs and risks, for a particular period in their lives, can only be managed in the controlled settings of secure accommodation. Such children and young people have been deemed to be a significant risk to themselves or others in the community.

Scotland currently has 84 secure accommodation places, spread across five dedicated secure units including the following four independent secure accommodation providers:

- The Good Shepherd Centre Bishopton;
- Kibble Education and Care Centre;
- Rossie Young People's Trust; and
- St. Mary's Kenmure

The four independent providers offer 78 places across Scotland, with the remaining 6 places operated by the City of Edinburgh Council.

All of the units provide a full curriculum of care, delivering a range of educational, health and behavioural programmes for young people. In addition, the units undertake tailored programmes of work to prepare young people for their transition back into the community.

There are two purchasers of secure accommodation services; the Scottish Government is responsible for secure accommodation placements for sentenced children whilst local authorities are responsible for secure accommodation placements for children who have been remanded in custody and for children who are placed in secure accommodation for welfare reasons.

All parties responsible for purchasing secure accommodation placements in Scotland, each of the 32 local authorities and the Scottish Government, participate in the current contract. Through ongoing engagement and dialogue with purchasers, Scotland Excel has again secured commitment to participate from all of the current purchasing organisations from the start date of the new contracts, as is detailed in Appendix 1.

There is no guarantee of business under the Secure Care tender however the estimated forecast spend for participating purchasers is £20m per annum, this comprises:

- Local authority spend - £15.4 million;
- Scottish Government spend - £2.8 million; and
- Contingency allowance for variable demand and additional services - £1.8 million.

Given that the requirement for secure accommodation can only be determined by the authority of a children's hearing or by the order of a court, demand and spend patterns across purchasers are variable. As a consequence, the related figures quoted in this report are estimates only, subject to change over the life of the contracts.

### **3. Procurement Process**

Procuring care and support services is a complex area and accordingly requires special consideration within a public body's overall approach to the procurement of goods and services.

The most recent European legislation about public procurement introduced a new regime (known as the 'light-touch' regime) for the procurement of care and support services. While the light-touch regime provides public bodies with some flexibility to determine how to procure social care services, any such procurement is still guided by some overarching principles, including:

- transparency;
- equal treatment and non-discrimination; and
- proportionality and mutual recognition.

Further, in reaching a decision on how to procure social care services, the Scottish Procurement Directorate's Guidance on the Procurement of Care and Support Services 2016 (Best Practice) advises that contracting authorities must also consider; the timing, cost and nature of the requirement, the geographic location and/or rurality and the regulatory requirements relating to services and workforce.

Having given consideration to the above principles and Guidance, the Director of Scotland Excel approved the use of a form of negotiation, tailored to reflect the light-touch regime, with the four currently contracted providers: The Good Shepherd Centre Bishopton, Kibble Education and Care Centre, Rossie Young People's Trust and St. Mary's Kenmure for this secure care arrangement.

This means that, following the approval of the recommendations in this report, an individually negotiated contract will be entered into with each of the four providers. However, as with the current arrangement, each of the providers entering into this arrangement is aware that this does not offer any guarantee of business from purchasers.

Scotland Excel voluntarily published a contract notice in the Official Journal of the European Union (OJEU) on 16 September 2016. Given the critical nature of the services and to ensure that the providers continue to be suitably qualified to provide quality secure accommodation services, the contract notice detailed

robust selection criteria. This included a requirement for registration with the Care Inspectorate and Registrar of Independent Schools, ministerial approval under the Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011 for accommodations to be provided for the sole purpose of restricting the liberty of children in residential premises where care services are provided, an evaluation of financial stability; and insurance provision. Publication of this notice fulfilled the purpose of providing adequate publicity for the proposed new contracts.

The invitation to tender (ITT) was published on 19 September 2016 and included the above minimum selection criteria. In addition, value for money was evaluated using the following service delivery and financial weightings:

Quality	60%
Financial	40%

In the quality section, to assess the quality of the service proposed, providers were asked to respond to a range of method statements. These method statements were developed with the assistance of a panel of purchasers and evaluated by a panel of professional practitioners from purchasers.

The financial section sought a weekly fee, and this was scored against a benchmark weekly fee of £5,672 per child.

In assessing the bids, where Scotland Excel identified scope for improving the offer, further negotiations were conducted in accordance with the voluntarily published tender terms. Negotiations were carried out in November and December 2016 and were led by Scotland Excel with a negotiation panel comprised of local authority and Scottish Government purchasers.

The purpose of the negotiations with individual providers included, where relevant, agreeing improvements in a number of key areas of the fee proposals. All matters were successfully agreed and this recommendation reflects the improved offers.

#### **4. Report on Offers Received**

Completed tender documents were submitted by five providers as detailed at Appendix 2 with no late offers received. One offer did not meet the necessary minimum selection criteria and as such was not evaluated further. The bidder was notified of this on 25 October 2016.

An evaluation of each remaining offer was carried out, based on the criteria and methodology set out in the tender documents.

The final scores obtained by the remaining four providers against the weightings are set out in Appendix 3.

## 5. Recommendations

In order to secure the ongoing availability of secure accommodation placements to purchasers and based on the evaluation carried out, it is recommended that contracts are awarded to the four providers detailed in Appendix 3.

## 6. Benefits

### Cost Impact

As part of the procurement process, all four current providers initially submitted a fee in excess of their current rate. The average fee increase equated to 4%.

Scotland Excel negotiated with the providers to ensure fees reflected the cost of providing care to the vulnerable client group, with a particular focus on minimising those costs that are not directly related to the child or young person. Another key focus was an assessment of staffing levels and salaries. The negotiations took place in advance of an agreed COSLA pay offer; however, a 1% salary uplift (with allowances for grading differentials) for staff in secure has been negotiated with providers for 2017/2018. Should the agreed COSLA pay offer differ from this, Scotland Excel will address this in future negotiations with providers. These recommended fees ensure that the living wage continues to be paid to all staff.

Following negotiations, the average fee increase has reduced to 0.5%.

Scotland Excel conducted a benchmarking exercise which compared the fees paid currently with the new negotiated fees. This was then applied to each purchaser's anticipated spend. Each purchaser chose whether to have the average uplift or a weighted average (based on provider usage under the current contract) applied to spend.

On average, the overall expected increase over the next 12 months to purchasers and the Scottish Government will be approximately £93k. The negotiations on areas not directly related to the child or young person resulted in the recommended weekly fees being held to within a relatively narrow range. The negotiations resulted in some significant reductions from the initial fee increase requests. It is estimated that the negotiations have avoided potential costs of approximately £606k to purchasers over the next 12 months.

### Price Stability

At the implementation of the first framework in 2011, the range of fees offered by providers varied significantly. Through continued close scrutiny of the providers' budget proposals during the life of the current contracts and in the process of agreeing the new contracts, Scotland Excel has worked with providers both to achieve efficiencies and ensure that the fees paid are sustainable. This narrowing of the range of fees provides assurance that the rates being proposed are becoming more transparent and more sustainable over time and also supports purchasers to continue to make placements based on the needs of children placed in secure accommodation.

The providers have agreed to hold their fees at least until 1 April 2018. Any request for a fee increase will only be considered in accordance with the contract terms and conditions, including timescales, and will be evaluated against prevailing market conditions.

In addition, the contract contains a clause which allows for any surplus generated through the contract to be re-invested in the following year's budget proposal, which could reduce the agreed fee in future years and/or lead to improved quality of service.

### **Sustainable Procurement Benefits**

Providers were requested to consider sustainability issues within the technical section of the tender. By its nature, the contract supports some of the most vulnerable and disadvantaged children and young people in society. Providers have also committed to a range of other benefits.

#### Community Benefits

Providers detailed a wide range of benefits that will be provided to the local community. These commitments will be monitored through the life of the contract and will form part of the regular reporting requirements. Providers have committed to:

- provide use of extensive grounds to the community which can be used for sporting events and picnics and can be used for walks;
- support the local economy wherever possible, sourcing local products, services, and expertise from nearby producers, sole traders and Small Medium Enterprises (SME's);
- invite local small businesses and district school enterprise teams to run a stall at Christmas Fayres;
- support local bands and youth and theatre groups by inviting them to perform at events held within the centres,
- support local employment; and
- provide work opportunities to young people from disadvantaged backgrounds, student work placements.

#### Environmental

Eco-Schools<sup>1</sup> is an international initiative designed to encourage whole-school community action on Learning for Sustainability. The initiative encourages closer links between schools and the communities around them. Schools can progress through a series of awards to ultimately achieve the Eco-Schools International Green Flag Award. Providers were asked to commit to achieving the Eco-Schools International Green Flag Award. Two providers have committed to retaining their status as Eco-Schools International Green Flag holders whilst the remaining two providers have committed to achieving this award through the lifetime of the contract.

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<sup>1</sup> <http://www.keepsotlandbeautiful.org/sustainable-development-education/eco-schools/>



Providers detailed a wide range of other environmental benefits which will also be monitored through the life of the contract and will form part of the regular reporting requirements. Providers have committed to:

- create a wildlife meadow with 500 saplings;
- continue to run a commercial wastewater treatment works;
- replace lighting with more efficient LED lighting;
- operate community garden projects where food is grown and used within the centres;
- minimise food waste through daily monitoring and recycle food waste through use of own composting facilities which can then be utilised in the community garden;
- take part in 'Fairtrade fortnight' including a series of lessons which focus on the definition and importance of the existence of 'Fairtrade' where discussions around better prices, decent working conditions and fair terms of trade for farmers and workers are essential components of every lesson;
- take part in the Cycle to Work scheme; and
- investigate the possibility of creating a solar farm within the grounds.

#### Living Wage

Providers were asked to confirm their approach to fair work practices and the living wage status. Of the four recommended providers, two have confirmed they will be accredited living wage employers by the contract start date. The remaining two providers also pay the living wage to all employees (except volunteers, apprentices and interns) but are not accredited living wage employers.

Scotland Excel includes monitoring Fair Work Practices and Living Wage within its contract and supplier/provider management programme and will work with all awarded suppliers who have not yet secured accreditation by the Living Wage Foundation to encourage them to achieve this.

#### **Other Benefits**

##### Management Information

Scotland Excel will continue to use the management information submitted by the providers to create quarterly contract management reports. These contract management reports will provide a detailed account of spend and use by provider, relevant trend information and information on the population of the independent secure estate.

The quarterly management information and annual reports will continue to be developed by Scotland Excel to improve reporting to purchasers to enable them to understand placement patterns in relation to the national picture and to inform good practice across the sector.

##### Quality of Service and Improving Outcomes

The vision for the Scottish Government funded project, which is being carried out by the CYCJ, is for those children and young people in Scotland for whom placement in secure accommodation is necessary to keep them and/or their

communities safe, they experience secure, nurturing high quality care, where their needs and rights are recognised, understood and met and there is a positive impact on their immediate and longer term safety and wellbeing.

Scotland Excel is actively involved in the project and recently participated in a meeting of partners to agree the focus of the review. Scotland Excel meets regularly with the project lead to ensure that the outcomes of the review will inform the strategy for the future of secure care contracts.

The contract requires that providers consult with children in their care on at least an annual basis and use feedback given to inform the future of their service.

Further, the contract requires providers to support children, where appropriate, in their transition from secure accommodation back to the community, and to assist children to learn skills supporting their future independence.

## **7. Contract Mobilisation and Management**

In accordance with Scotland Excel's established Contract Management programme, these contracts have been classified as a level 1 arrangement in terms of risk and spend requiring as a minimum six monthly provider meetings and a meeting of purchasers will be convened on a regular basis throughout the period.

Scotland Excel will provide a mobilisation pack to purchasers which will contain details on the contract arrangements and the relevant documents such as the individual placement agreement which they will complete for every placement.

Each participating purchaser will be asked to confirm its lead contract officer through whom information will be gathered and disseminated.

On a quarterly basis, providers will submit management information on a range of areas including individual placements, community benefits and staffing qualifications which will be monitored and analysed by Scotland Excel and used in the creation of regular management information reports.

## **8. Summary**

The recommended secure care contractual arrangements aim to provide a high quality service which demonstrably improves outcomes for the vulnerable children placed in their care and provides transparency and effective management of fees.

Accordingly, the Executive Sub Committee is requested to approve the recommendation contained in section five of this report to award these contracts.



## Appendix 1 – Participation, Spend and Cost Impact Summary

### Secure Care 0716

Purchaser	Participate in Contract	Participation Entry Date	Est. Annual Spend	Source of Spend Data
Aberdeen City	Yes	Contract Start	£936,000	Member provided
Aberdeenshire	Yes	Contract Start	£285,700	Contract management information - confirmed by member
Angus	Yes	Contract Start	£887,337	Member provided
Argyll & Bute	Yes	Contract Start	£96,971	Contract management information - confirmed by member
City of Edinburgh	Yes	Contract Start	£899,024	Member provided
Clackmannanshire	Yes	Contract Start	£194,176	Contract management information - confirmed by member
Dunfries & Galloway	Yes	Contract Start	£332,074	Contract management information - confirmed by member
Dundee City	Yes	Contract Start	£805,066	Contract management information - confirmed by member
East Ayrshire	Yes	Contract Start	£307,400	Member provided
East Dunbartonshire	Yes	Contract Start	£357,345	Contract management information
East Lothian	Yes	Contract Start	£240,000	Member provided
East Renfrewshire	Yes	Contract Start	£202,619	Contract management information
Eilean Siar	Yes	Contract Start	£22,752	Contract management information - confirmed by member
Falkirk	Yes	Contract Start	£755,543	Contract management information - confirmed by member
Fife	Yes	Contract Start	£1,485,000	Member provided
Glasgow City	Yes	Contract Start	£1,500,000	Member provided
Highland	Yes	Contract Start	£616,141	Contract management information - confirmed by member
Inverclyde	Yes	Contract Start	£498,563	Member provided
Midlothian	Yes	Contract Start	£307,923	Contract management information
Moray	Yes	Contract Start	£250,000	Member provided
North Ayrshire	Yes	Contract Start	£301,412	Member provided
North Lanarkshire	Yes	Contract Start	£569,938	Contract management information
Orkney Islands	Yes	Contract Start	£87,423	Contract management information - confirmed by member
Perth & Kinross	Yes	Contract Start	£245,068	Contract management information
Renfrewshire	Yes	Contract Start	£800,000	Member provided
Scottish Borders	Yes	Contract Start	£28,397	Contract management information - confirmed by member
Scottish Government	Yes	Contract Start	£2,800,000	Member provided
Shetland Islands	Yes	Contract Start	£44,984	Contract management information
South Ayrshire	Yes	Contract Start	£364,219	Contract management information
South Lanarkshire	Yes	Contract Start	£887,442	Contract management information - confirmed by member
Stirling	Yes	Contract Start	£295,000	Member provided
West Dunbartonshire	Yes	Contract Start	£235,406	Member provided
West Lothian	Yes	Contract Start	£530,035	Contract management information - confirmed by member
			<b>£18,168,958</b>	

## Appendix 2 - SME Status

### Secure Care 0716

Provider Name	SME Status	Location	Organisational Status
The Good Shepherd Centre Bishopton	Medium	Bishopton	Private Limited Company by Guarantee
Kibble Education and Care Centre	Medium	Paisley	Private Limited Company by Guarantee
Mochridhe Limited*	Medium	Glasgow	Private Limited Company
Rossie Young People's Trust T/A Rossie Secure Accommodation Services	Medium	Montrose	Private Limited Company by Guarantee
St. Mary's Kenmure	Medium	Bishopbriggs	Private Limited Company by Guarantee

### Appendix 3 - Scoring and Recommendations

#### Secure Care 0716

Provider Name	Final Score
Kibble Education and Care Centre	86.2
St. Mary's Kenmure	79.5
Rossie Young People's Trust T/A Rossie Secure Accommodation Services	76.1
The Good Shepherd Centre Bishopton	73.0



## **Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2017**

### **Report by Director Scotland Excel**

#### **Request for Associate Membership of Scotland Excel by Glasgow Prestwick Airport**

## **1 Introduction**

In addition to the 32 local authorities who are full members of Scotland Excel applications can be made for Associate Membership by organisations such as council arms 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 we have in place for our full members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

## **2 Application**

Glasgow Prestwick Airport (GPA) was purchased by the Scottish Government in November 2013 to protect jobs and safeguard a strategic infrastructure asset. The airport is of strategic and economic importance to the local area as well as the country as a whole.

GPA is deemed to be a “Non-Departmental Public Body” within the public sector landscape and is sponsored by the Scottish Government’s Transport Directorate.

Access to Scotland Excel’s contracts is requested to allow additional value to be generated for GPA, and in turn the Scottish Government, by cash-savings from contracts and reduced resource in undertaking separate procurement exercises

## **3 Legislative Position**

Before any application is submitted to committee for consideration checks are made into the organisation including scrutiny of the Memorandum & Articles of Association, finances and the type of contracts that the organisation wishes to access. Membership commences once committee has approved the application and a Membership Agreement between Scotland Excel and the organisation is signed. The Membership Agreement protects Scotland Excel and Renfrewshire Council in the event of default by the Associate Member in any contract.

Scotland Excel monitors all requests from organisations to become associate members to ensure that all legal requirements are met. In this case GPA qualify for membership as they, in accordance with the Local Authorities (Goods and Services) Act 1970, are a public body and the purpose of accessing Scotland Excel's services is to facilitate the discharge of those functions and activities.

#### **4 Recommendation**

It is recommended to committee that the GPA's application to join Scotland Excel as an associate member be approved, at an annual fee of £500, subject to completion and signing of the agreement document.

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2017**

### **Report by Director Scotland Excel**

#### **Request for Associate Membership of Scotland Excel by Tayside and Central Scotland Transport Partnership**

## **1 Introduction**

In addition to the 32 local authorities who are full members of Scotland Excel applications can be made for Associate Membership by organisations such as council arms 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 we have in place for our full members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

## **2 Application**

Tayside and Central Scotland Transport Partnership (Tactran) is one of seven statutory Regional Transport Partnerships covering the whole of Scotland, which were created under the Transport (Scotland) Act 2005.

The Tactran region forms an important "hub" lying at the heart of Scotland's transport network and includes the local authority areas of Angus, Dundee City, Perth & Kinross and Stirling which together make up just under 10% of Scotland's land mass and nearly 12% of the nation's population.

The primary purpose of the Partnership is to develop a Regional Transport Strategy setting out a vision for the medium to long term future of transport in the area and to oversee its implementation

### **3 Legislative Position**

Before any application is submitted to committee for consideration checks are made into the organisation including scrutiny of the Memorandum & Articles of Association, finances and the type of contracts that the organisation wishes to access. Membership commences once committee has approved the application and a Membership Agreement between Scotland Excel and the organisation is signed. The Membership Agreement protects Scotland Excel and Renfrewshire Council in the event of default by the Associate Member in any contract.

Scotland Excel monitors all requests from arms length organisations to become associate members to ensure that any legal requirements are met as not all such organisations are fully funded from their local authority, in this case Tactran qualify for membership as they in accordance with the Local Authorities (Goods and Services) Act 1970 namely that the organisation is a public body and the purpose of accessing Scotland Excel's services is to facilitate the discharge of those functions and activities.

### **4 Recommendation**

It is recommended to committee that the Tactran's application to join Scotland Excel as an associate member be approved, at an annual fee of £500, subject to completion and signing of the agreement document.



## 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 ExecSub 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 ExecSub 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





# Operating Plan

2016 – 2017

Q3 Progress Report



# Goa1 1: Supporting the delivery of better and more effective public services

Strategic objectives	
1.1	Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level
1.2	Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability
1.3	Deliver a range of new shared services which support the effectiveness and efficiency of customer operations

Activity	Year 2 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> <li>Develop a contract delivery plan for joint committee approval in Dec 2016</li> <li>Manage a flexible workforce model to resource contract delivery</li> <li>Develop a plan for delivering the adult supported living and care at home strategy</li> <li>Develop a proposal to secure ongoing funding to support older people's care home services</li> <li>Develop proposals for partnering with other procurement organisations as appropriate</li> <li>Hold biannual Commercial ULGs and interim steering group meetings</li> <li>Communicate strategies for all key category areas</li> </ul>		<ul style="list-style-type: none"> <li>An update on the contract delivery plan was presented to the Joint Committee in December. Plans to expand the portfolio through a small value contracts team and additional funding for social care were approved by the committee.</li> <li>The workforce planning tool for procurement staff is being reviewed regularly, with resources reallocated across teams as required to ensure key objectives are met.</li> <li>Funding to develop adult supported living and care at home frameworks has been secured from the Scottish Government. Additional staff will be recruited in Q4 to progress this work programme.</li> <li>Funding has been agreed until March 2020 to provide continued support for older people's care home services. The work programme will include further work on the cost of care and implementation of a new approach to the procurement of older people's care home services.</li> <li>A partnership with Crown Commercial Services (CCS) has been approved by the Joint Committee. Work to support transition to the CCS framework for light and commercial vehicles will begin in Q4, and is expected to bring efficiency benefits and economies of scale.</li> <li>Commercial ULG meetings were held in Q3. Topics included the small value contracts team, the CCS partnership and community benefits. Steering Group meetings have been scheduled in Q4 to review the Terms of Reference for the new small value contracts team.</li> <li>Eight category strategies have now been published on the Scotland Excel website.</li> </ul>





(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	<ul style="list-style-type: none"> <li>Implement a project to pilot the national CSM tool</li> <li>Develop a plan to roll out CSM across the portfolio</li> <li>Produce annual contract management reports for all contracts</li> </ul>		<ul style="list-style-type: none"> <li>Following the successful completion of the contract and supplier management (CSM) pilot, it has been agreed that the national CSM tool will be adopted by Scotland Excel.</li> <li>A plan to roll out the CSM solution across the portfolio will be developed and implemented in Q4.</li> <li>Annual contract management reports continue to be produced for all contracts, including a benchmark of savings against market indices and an updated risk matrix.</li> </ul>
(c) Develop and implement a strategy and plan for improving supplier performance	<ul style="list-style-type: none"> <li>Deliver an integrated programme of supplier development activity</li> </ul>		<ul style="list-style-type: none"> <li>An integrated supplier development programme will be developed as part of the new CSM roll out. In the interim, a template is available within the CSM tool to support supplier development activity.</li> </ul>
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	<ul style="list-style-type: none"> <li>Complete the rollout of the current PCIP programme</li> <li>Analyse and report on PCIP results</li> <li>Schedule PCIPs for members not participating in 2016</li> <li>Work with partners to agree the way forward for PCIPs</li> </ul>		<ul style="list-style-type: none"> <li>Procurement &amp; Commercial Improvement Programme (PCIP) assessments have been completed with 16 councils.</li> <li>Assessment outcomes were reported to the Joint Committee in December and will inform future development programmes.</li> <li>A second phase of PCIP assessments with the remaining 16 councils is being scheduled for March – June 2017.</li> <li>It has been agreed that local authorities will complete a second PCIP cycle by June 2019 to align with other sectors.</li> </ul>
(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	<ul style="list-style-type: none"> <li>Agree and resource development requirements with sector stakeholders</li> <li>Develop and deliver a development programme to March 2017</li> <li>Deliver an Annual Conference to support development in Q4</li> </ul>		<ul style="list-style-type: none"> <li>Following a sector steering group meeting in May, it was agreed that each council will receive three days of development support.</li> <li>A total of 87 support requests have been received from councils and it is anticipated that 55 (63%) will be completed by the end of March 2017, with the remainder completed during Year 3.</li> <li>Plans for the Annual Conference are underway. The event will take place in Clydebank on 7-8 February 2017.</li> </ul>

<p>(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement</p>	<ul style="list-style-type: none"> <li>• Develop and implement a blended learning strategy</li> <li>• Finalise recommendations for delivering the social care commissioning PDA</li> <li>• Develop and implement plans for recruiting 2 interns and a modern apprentice during 2016-17</li> </ul>		<ul style="list-style-type: none"> <li>• A new learning and development strategy was approved by the Joint Committee in December. Blended learning is being delivered through an online platform branded as the Scotland Excel Academy, and supported by face-to-face workshops.</li> <li>• Following stakeholder consultation, the social care and commissioning professional development award (PDA) was superseded by a new programme. A pilot of the Leading and Managing Strategic Commissioning programme is underway with Inverclyde Council, and will be more widely available later this year.</li> <li>• Two interns were recruited for procurement teams in Q2. A Modern Apprentice was recruited for the business services team during Q3.</li> </ul>
<p>(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape</p>	<ul style="list-style-type: none"> <li>• Develop a shared services strategy</li> <li>• Incorporate additional shared service income into annual funding proposals</li> </ul>		<ul style="list-style-type: none"> <li>• The development of a shared services strategy has been put on hold to allow focus on several new shared service opportunities which were approved by the Joint Committee in December.</li> <li>• Funding proposals for 2016-17 were approved by the Joint Committee in December.</li> </ul>

## Goal 2: Being sustainable in everything we do



Strategic objectives	
2.1	Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities
2.2	Deliver positive and measurable social, economic and environmental impact to local communities
2.3	Lead and support customers in the development and implementation of best practice in sustainable procurement

Activity	Year 2 Priorities	RAG status	Progress summary
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	<ul style="list-style-type: none"> <li>Develop an action plan to ensure internal compliance with legislation</li> <li>Identify legislative areas to be incorporated within L &amp; D plans for the sector</li> <li>Monitor risks/ opportunities arising from the Community Empowerment Act</li> <li>Develop a plan for engaging with UBs/NSS</li> <li>Develop a plan for delivering waste category strategy recommendations</li> </ul>		<ul style="list-style-type: none"> <li>An action plan has been developed and is underway, including the production of procurement strategy documentation in line with new legislative obligations.</li> <li>Support with the European Single Procurement Document (ESPD) remains the key of area of support requested by and provided to stakeholders.</li> <li>A Q3 review has indicated no current risks or opportunities arising for the sector from the Community Empowerment Act. An Audit Scotland report indicates that some progress has been made in Community Planning Partnerships but the delivery of change is not yet at the level envisaged.</li> <li>Scotland Excel is continuing to engage directly with Integrated Joint Board Chief Officers, and presented at a network event in December.</li> <li>Changes to legislation affecting the Scottish Environmental Protection Agency (SEPA) have resulted in some delays in implementing the recommendations of the waste category strategy.</li> </ul>
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> <li>Continue to support fair working practices and other policy areas</li> <li>Continue to support policy aspects of social care frameworks</li> <li>Continue to represent the sector at the CRDG and support the roll out of recommendations</li> </ul>		<ul style="list-style-type: none"> <li>Fair working practices and other policy areas continue to be considered as part of the development process for all contracts.</li> <li>Fostering and secure care frameworks are being developed in line with Scottish Government policy and will be delivered in Q4.</li> <li>The CRDG is currently considering opportunities for national construction frameworks. A local authority working group has been established as a conduit to the Construction Review Delivery Group (CRDG), and will meet for the second time in Q4.</li> </ul>



<p>(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes</p>	<ul style="list-style-type: none"> <li>• Continue to encourage local business participation through procurement processes, partnerships and events</li> <li>• Embed community benefits in procurement processes</li> <li>• Develop and implement a new reporting approach for community benefits</li> <li>• Consider opportunities for supported businesses and/or third sector in contract strategies</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel is continuing to support local business participation in procurement opportunities. In Q3, staff took part in Meet the Buyer events in Alloa and Dunfermline, and hosted a stand at Procurex in Glasgow.</li> <li>• Community benefits continue to be considered as part of the development process for all contracts.</li> <li>• Community benefit reporting has been revised to incorporate additional data captured by a new template issued to suppliers in Q2. The report now provides significantly more robust information including community benefit classifications in line with Scottish Government statutory guidance, and the monetary value of the benefits provided.</li> <li>• Scotland Excel is facilitating a project to stimulate local opportunities for supported businesses. Six councils have indicated an interest in participating in the project which will look at ways in which supported businesses can develop their offering to meet local procurement requirements. A workshop to progress discussions will take place in Q4.</li> </ul>
<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> <li>• Continue work with partners to develop policies and programmes in support of a National Brokerage model</li> <li>• Continue to embed environmental considerations through procurement processes</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel continues to engage positively with the Scottish Materials Brokerage Service project. However, some delays at a national level have limited progress on the project.</li> <li>• Environmental considerations continue to be considered as part of the development process for all contracts.</li> </ul>
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> <li>• Publish Scotland Excel's sustainable procurement strategy</li> <li>• Deliver stakeholder support for new legislative duties through L &amp; D plans</li> <li>• Continue to represent the sector within the Scottish Government's Best Practice working group</li> <li>• Develop and implement a consistent approach to horizon scanning</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel's sustainable procurement strategy has been approved by the Joint Committee and is available on the website.</li> <li>• Scotland Excel will resource legislative education and training through masterclasses and workshops which form part of the learning and development strategy.</li> <li>• Scotland Excel continues to participate in the Scottish Government's Best Practice working group. The group is continuing to focus on the implementation and impact of ESPD, and a review of Contract &amp; Supplier Management Guidance has been initiated.</li> <li>• The first horizon scanning meeting was held in September. A second meeting will take place in early January to agree key areas of focus.</li> </ul>

## Goa1 3: Placing customers at the heart of our business

Strategic objectives	
3.1	Work with customers to develop and implement bespoke plans for maximising the value of our services
3.2	Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services
3.3	Represent the views and needs of customers in the wider stakeholder environment



Activity	Year 1 Priorities	RAG status	Progress summary
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	<ul style="list-style-type: none"> <li>Implement phase 2 of account management improvements</li> </ul>		<ul style="list-style-type: none"> <li>Improvements have been implemented and are now being delivered as business-as-usual. These include a new reporting format for quarterly Business Reviews which has been welcomed by councils.</li> </ul>
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> <li>Publish a stakeholder engagement strategy</li> <li>Implement a survey and report on customer satisfaction</li> <li>Initiate a customer care forum to support ongoing improvements to customer service</li> <li>Develop a centralised contact data resource</li> <li>Develop a 'future digital' strategy including options for an online customer collaboration platform</li> </ul>		<ul style="list-style-type: none"> <li>No further progress has been made on the stakeholder engagement strategy in Q3 due to other priorities. Work plans are currently being reviewed to agree a new date for completion.</li> <li>Surveys were issued to c. 1,500 stakeholders in November with bespoke questionnaires for senior stakeholders, procurement leads and other local authority contacts. Responses will be analysed in Q4 and a report issued in early spring.</li> <li>A cross-functional customer care forum will be established to monitor the delivery of the stakeholder engagement strategy and implement improvements identified by the customer survey. Initially planned for Q4, this may be postponed due to the delay in strategy completion.</li> <li>A centralised list of c. 1,500 procurement and technical contacts has been created and is being maintained on a regular basis. However, plans to develop and implement resources for managing this data are on hold due to other priorities.</li> <li>Development of a 'future digital' strategy has been postponed until Year 3 to allow focus on other priorities.</li> </ul>






<p>(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation</p>	<ul style="list-style-type: none"> <li>• Update the marketing and communications strategy and plan</li> <li>• Complete and launch the new Scotland Excel website</li> <li>• Continue to monitor and manage all communications risks arising from contracts/business activities</li> </ul>		<ul style="list-style-type: none"> <li>• No further progress has been made on the marketing and communications plan due to other priorities. Work plans are currently being reviewed to agree a new date for completion.</li> <li>• Feedback to Scotland Excel's new website continues to be positive. Q3 user statistics were slightly down on the previous quarter but this may be due to the launch campaign inflating initial figures. Statistics will continue to be monitored to identify trends over a longer period.</li> <li>• Scotland Excel is continuing to mitigate communication risks through appropriate handling of media enquiries in line with policy.</li> </ul>
<p>(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base</p>	<ul style="list-style-type: none"> <li>• Review the associate member fee structure</li> <li>• Develop and implement an associate member strategy</li> <li>• Develop an associate membership offering for the social landlord sector</li> </ul>		<ul style="list-style-type: none"> <li>• A new associate member fee structure will be developed in Q4 and will initially focus on appropriate fee levels for housing associations.</li> <li>• An associate member strategy has been approved by the Joint Committee. New member recruitment will initially focus on housing associations due to the opportunity presented by the government-funded programme Scotland Excel is implementing for this sector.</li> <li>• Benefits being offered to the social landlord sector will include the facility to source energy efficiency contractors through a new Scotland Excel framework.</li> </ul>
<p>(e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers</p>	<ul style="list-style-type: none"> <li>• Host and/or attend forums to gather sector views and share information</li> <li>• Represent the sector within the national public procurement programme</li> <li>• Continue to review engagement plans for Scotland Excel's wider stakeholder landscape</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel is continuing to hold and/or attend meetings for sector stakeholders. In Q3, this included local authority steering groups for contract development, procurement capability, eCommerce and construction, and attendance at the Scottish Local Government Procurement Forum.</li> <li>• Scotland Excel is continuing to represent sector interests at national procurement/commissioning meetings. In Q3, this included government forums for collaborative procurement, eCommerce, construction, best practice and professional development.</li> <li>• Scotland Excel is continuing to engage with key stakeholders across a range of business areas. A schedule for reviewing and updating stakeholder engagement plans will be embedded as business-as-usual following the completion of the stakeholder engagement strategy.</li> </ul>


## Goa1 4: Becoming the partner of choice for delivering shared services




Strategic objectives	
4.1	Implement organisational development policies which support a highly skilled, motivated and engaged workforce
4.2	Implement best practice processes and technology which support the efficient and effective delivery of services to customers
4.3	Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment and secure Scotland Excel's future

Activity	Year 1 Priorities	RAG status	Progress summary
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	<ul style="list-style-type: none"> <li>Develop and implement an organisation wide rolling resource plan</li> <li>Develop a recruitment management strategy</li> <li>Review the careers microsite and develop proposals for improvement/replacement</li> <li>Develop plans to enhance employee performance management, training and development</li> <li>Develop proposals for a new staff intranet</li> </ul>		<ul style="list-style-type: none"> <li>A resource plan for customer and business development teams was piloted during Q3. Once implemented, this will be used alongside the procurement plan to provide a view of resources across the organisation.</li> <li>Recruitment policies have been updated to ensure a consistent approach across the organisation. A major recruitment campaign and event is being planned for February 2017.</li> <li>The careers microsite has been refreshed with new branding and updated content. Additional content is being developed to promote the organisation as a positive place to work.</li> <li>A second phase of the organisational development project was initiated in November and includes employee performance and development as part of its remit.</li> <li>A new staff intranet was launched in December. This will be rolled out as an organisation wide resource during Q4, and will be developed further in response to staff feedback.</li> </ul>
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> <li>Agree and deliver 2016-17 transformation projects</li> <li>Develop a proposal for a spend data management and reporting tool</li> </ul>		<ul style="list-style-type: none"> <li>Four projects have been successfully closed. The sustainable funding project has been re-scoped and a second phase of organisational development is underway. Some final actions are required to close off the stakeholder management project and embed as business-as-usual.</li> <li>Discussions are ongoing with Spikes Cavell on potential solutions for data warehousing. Following initial testing by the ICT team, a short-life project is being set up to explore the role of data analytics tools in supporting activities across the organisation.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop a proposal to migrate the ICT infrastructure to a cloud environment</li> <li>• Establish a Policy Review Group to support ongoing procurement policy and process improvements</li> <li>• Continue to develop academic, business and professional partnerships to support innovation and best practice</li> <li>• Develop an action plan to respond to IIP assessment recommendations</li> </ul>		<ul style="list-style-type: none"> <li>• Following a review of proposals, it was agreed that stand alone migration to a cloud environment was not feasible in the short term due to cost. Discussions are ongoing with Renfrewshire Council to explore options for Scotland Excel to participate in their migration to a cloud environment during 2017.</li> <li>• Procurement policies and FAQ documents continue to be reviewed and are now available for staff to download from the new intranet.</li> <li>• Scotland Excel is continuing to build collaborative partnerships with six Scottish business schools. Learning and development workshops have been hosted regionally at business school sites where academic staff have provided thought leadership sessions.</li> <li>• The recommendations of the Investors in People (IIP) report will be addressed as part of phase 2 of the organisational development project. A staff survey has been developed to track the success of actions taken in response to these recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>• The first meeting of the refreshed Chief Executive Officers Management Group (CEOMG) took place in November and will meet again in February. The group now has a remit to provide strategic advice and direction for the organisation.</li> <li>• Scotland Excel's risk management plan continues to be reviewed and updated on a monthly basis. The current risk register was presented to the Joint Committee in December for review.</li> <li>• All HR policies and the majority of corporate policies have been reviewed and updated, and are now available for staff to download from the new intranet. A rolling plan for future reviews will be put in place.</li> <li>• A quarterly performance management reporting process has been established.</li> </ul>	<ul style="list-style-type: none"> <li>• The Management Information (MI) tracker and checklist developed as part of the business intelligence project is now embedded as business-as-usual.</li> <li>• Agreement reached in Q1 that there is no opportunity to extend business intelligence services to the sector at this time.</li> </ul>
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	<ul style="list-style-type: none"> <li>• Refresh CEOMG participation and remit</li> <li>• Continue to monitor and update the corporate risk management plan</li> <li>• Develop and implement a rolling plan for updating corporate policies</li> <li>• Produce quarterly performance management reports for governance meetings</li> </ul>				
(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	<ul style="list-style-type: none"> <li>• Embed data management processes developed as part of the business intelligence project</li> <li>• Agree feasibility of offering external services in response to the findings of the business intelligence project</li> </ul>				



<p>(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel</p>	<ul style="list-style-type: none"> <li>• Develop and agree 2017-18 funding proposals at the Dec joint committee</li> <li>• Develop proposals for a flexible associate/partnership resourcing model</li> <li>• Continue to explore options for funding models which support sustainability and growth over the longer term</li> </ul>		<ul style="list-style-type: none"> <li>• Funding proposals for 2016-17 were approved at the Joint Committee meeting in December.</li> <li>• A flexible associate/partnership model for resourcing business requirements will be reviewed in Q4 with a view to implementation in Year 3.</li> <li>• Funding proposals approved by the Joint Committee in December include additional resources for new and existing services from rebates, associate member income and partner projects.</li> </ul>
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Report Key	
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity has been completed and/or is progressing in line with expected/agreed timelines and targets

## Key Performance Indicators

KPI	Link to outcomes	Q2 Status
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> <li>Our services support the effective and efficient delivery of public services</li> </ul>	<ul style="list-style-type: none"> <li>20 contracts delivered, renewed or extended from 26 targeted</li> <li>£726m portfolio value against £770m target by year end</li> </ul>
Percentage & value of savings v target (excluding social care)	<ul style="list-style-type: none"> <li>Our customers are satisfied with our services and achieve a measurable return on their investment</li> </ul>	<ul style="list-style-type: none"> <li>Average savings of 5.3% against a rolling 5% target (2015-18)</li> <li>£3.64m estimated saving in the last recorded quarter (Jul-Sep 2016)</li> </ul>
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> <li>Our expertise supports continuous improvement in procurement performance</li> </ul>	<ul style="list-style-type: none"> <li>16 assessments completed from schedule of 16</li> </ul>
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> <li>Our services help to deliver positive and sustainable outcomes for communities and service users</li> </ul>	<ul style="list-style-type: none"> <li>392 Scottish suppliers of which 76.5% are SMEs</li> </ul>
No. of community benefits realised to date	<ul style="list-style-type: none"> <li>Our services support the implementation of national and local policy priorities</li> </ul>	<ul style="list-style-type: none"> <li>158 jobs</li> <li>158 apprenticeships</li> <li>11 work placements</li> <li>54,794 hours work experience</li> <li>2,231 hours volunteering/mentoring</li> <li>£82.3k value of other initiatives</li> </ul>
Customer satisfaction statistics & trends	<ul style="list-style-type: none"> <li>Our customers are satisfied with our services and achieve a measurable return on their investment</li> </ul>	<ul style="list-style-type: none"> <li>Available from Q4</li> </ul>
Website usage statistics & trends	<ul style="list-style-type: none"> <li>Our customers receive relevant communication and support</li> </ul>	<ul style="list-style-type: none"> <li>6,341 visitors in Q3</li> <li>12,649 user sessions in Q3</li> </ul>
Media coverage v target	<ul style="list-style-type: none"> <li>Our reputation demonstrates the value of collaboration</li> </ul>	<ul style="list-style-type: none"> <li>47 media items placed by end of Q3 against an annual target of 25</li> </ul>
Income from associate members v target	<ul style="list-style-type: none"> <li>Our reputation demonstrates the value of collaboration</li> </ul>	<ul style="list-style-type: none"> <li>£56.5k income against a £30k target</li> </ul>
Staff turnover v headcount	<ul style="list-style-type: none"> <li>Our people, policies, processes and technology optimise our value</li> </ul>	<ul style="list-style-type: none"> <li>6% staff turnover in Q3</li> <li>58 permanent staff</li> </ul>

## **Scotland Excel**

**To: Scotland Excel Executive Sub-committee**

**On: 10 February 2016**

**Report  
by  
the Clerk**

### **Meetings of Scotland Excel Executive Sub-committee in March 2017**

#### **1. Summary**

- 1.1 At the meeting of the Executive Sub-committee held on 16 September 2016 it was decided that meetings of the Executive Sub-committee be held on 27 January, 10 February, 3 March, 30 June, 15 September, 13 October, 17 November and 8 December 2017.
- 1.2 One of the main functions of the Executive Sub-committee is to consider reports on the award of contracts being let on behalf of Scotland Excel, therefore, the dates for the Executive Sub-committee meetings require to be fixed by referral to the planned award dates for these contracts.
- 1.3 Having considered the planned award dates for contracts during March 2017 it is now considered to be more suitable for the meeting in March to take place at the end of the month. Therefore, it is proposed to cancel the meeting scheduled for 3 March 2017 and to hold a meeting of the Executive Sub-committee on 31 March 2017.

#### **2. Recommendations**

- 2.1 That the meeting of the Executive Sub-committee scheduled to be held at 10.45 am on 3 March 2017 be cancelled; and
- 2.2 That a meeting of the Executive Sub-committee be held at 10.45 am on 31 March 2017 in Scotland Excel Meeting Room 1, Renfrewshire House.

#### **3. Background**

- 3.1 In terms of Scotland Excel's Procedural Standing Orders:-
  - 42(a). The Executive Sub-committee shall meet not less than four times in every calendar year. The time, dates and venues for all subsequent meetings will be approved by the Executive Sub-committee.

